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LEGISLATIVE HISTORY

Public Law 87-880
H. R. 12900

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INDEX AND SUMMARY OF H. R. 12900

Aug.	14, 1962	House Appropriations Committee reported H. R. 12900. H. Report No. 2223. Print of bill and report.
Aug.	16, 1962	House passed H. R. 12900 without amendment.
Aug.	17, 1962	H. R. 12900 was referred to the Senate Appropriations Committee. Print of bill as referred.
Sept.	5, 1962	Senate subcommittee voted to report H. R. 12900.
Sept.	26, 1962	Senate subcommittee approved H. R. 12900 with amendments.
Sept.	28, 1962	Senate committee reported H. R. 12900 with amendments. S. Report No. 2178. Print of bill and report.
Sept.	29, 1962	Senate began debate on H. R. 12900.
Oct.	1, 1962	Senate passed H. R. 12900 with amendments. Senate conferees were appointed. Print of bill as passed by Senate.
Oct.	2, 1962	House conferees were appointed.
Oct.	4, 1962	House received conference report on H. R. 12900. H. Report No. 2531. Print of report.
Oct.	12, 1962	House agreed to conference report, but did not complete action on amendments reported in disagreement.
Oct.	13, 1962	Senate agreed to conference report on H. R. 12900. Both Houses agreed to amendments which had been reported in disagreement.
Oct.	24, 1962	Approved: Public Law 87-880.

DIGEST OF PUBLIC LAW 87-880

PUBLIC WORKS APPROPRIATION ACT, 1963. Includes appropriations for civil functions of the Department of the Army for rivers and harbors, flood control, beach erosion, and related purposes; Bureau of Reclamation and power-marketing agencies (Bonneville, Southeastern, and Southwestern Power Administrations) of the Department of the Interior; Atomic Energy Commission; Tennessee Valley Authority; Delaware River Basin Commission; and U. S. Study Commissions for Southeast River Basins and Texas River Basins.

Appropriates \$400,000,000 to the President for an accelerated public works program (authorized by the Public Works Acceleration Act, 1962), one-third of which is to be used for public works projects in rural areas.

Includes general provisions applicable to all departments and agencies during fiscal year 1963 as follows: Limits the amount which may be paid for a passenger vehicle (exclusive of buses and ambulances) to \$1,500, except for station wagons the maximum of which is \$1,950. Requires Federal employees to be U. S. citizens, with certain exceptions, one of which permits the Department of Agriculture to employ alien veterinarians who are nationals of Poland if they are otherwise qualified for employment in the U. S. Provides for quarters and cost-of-living allowances in accordance with the Overseas Differentials and Allowances Act. Prohibits payments to employees whose nominations the Senate has rejected. Limits the price which may be paid for the U. S. Code to \$4 per volume, and for the Lifetime Federal Digest to \$4.25 per volume, and \$6.50 per volume on the Modern Federal Practice Digest. In the case of certain corporations, makes appropriations available for certain purposes, such as rent in the District of Columbia. Permits foreign credits to be used only when reimbursement is made to the Treasury Department.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued August 15, 1962
For actions of August 14, 1962
82th-2d, No. 143

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HIGHLIGHTS: Senate subcommittee voted to report bills to revise school lunch fund apportionment formula, to revise extension service fund apportionment formula, and provide Federal-State cooperation in administration of certain Federal laws. House committee reported public works appropriation bill. Several Reps. debated merits of food stamp plan.

SENATE

1. FARM PROGRAM. The Agricultural Research and General Legislation Subcommittee of the Agriculture and Forestry Committee voted to report to the full committee the following bills: p. D724
 - H. B. 11665, with amendment, to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act.
 - S. 2998, to amend the Smith-Lever Act so as to revise the formula for apportioning funds for extension work among the States.
 - S. 3475, to provide further for cooperation with the States in the administration and enforcement of certain Federal laws, including laws administered by this Department.Sen. Wiley urged this Department to prepare a simplified handbook of farm laws and programs, and inserted his letter to Secretary Freeman on the proposal p. 15433

2. COMMUNICATIONS. Continued debate on H. R. 11040, the communications satellite bill (pp. 15383-416, 15433-5). By a vote of 63 to 27, invoked cloture (two-thirds of the Senators present and voting having voted in the affirmative) which limits further debate on the measure to not to exceed one hour for each Senator (pp. 15383-99). By a vote of 74 to 15, tabled an amendment by Sen. Marse to give NASA greater jurisdiction over the satellite program (pp. 15400-09). By a vote of 66 to 20, tabled an amendment by Sen. Gruening to provide that the satellite corporation shall pay a royalty fee for inventions and other technology furnished by the Government and that the results of inventions furnished by the Government shall be available to the U. S. or any designee in the form of a nonexclusive royalty-free license (pp. 15413-4).
3. WATERSHEDS. Both Houses received from the Budget Bureau plans for works of improvement on the following watersheds: Big Wyacondah, Iowa; Lattas Creek and Stucker Fork, Ind.; Bee Creek and Middle Caney, Kan.; Big Muddy Creek, Ky. Bayou Folse, La.; Upper Bogue Phalia, Miss.; Big Indian Creek, Nebr.; Lower Forest River, N. Dak.; Middle Fork-Hood River, Ore.; and Kaercher Creek, Pa. (to Agriculture Committees); Brandywine Creek, Del. and Pa.; Twin Caney, Kan. Sandy Creek, Pa.; and Salando Creek and Valley Creek, Tex. (to Public Works Committees). pp. 15417, 15510
4. PROPERTY; CIVIL DEFENSE. Both Houses received from HEW a report on personal and real property disposed of to public health and educational institutions and civil defense organizations. pp. 15417, 15510
5. BUDGET. Received from the President an amendment to the budget for fiscal year 1963 for \$20,206,000 for the General Services Administration (S. Doc. 120). p. 15417
6. SOVIET AGRICULTURE. Sen. Goldwater inserted a series of articles by an Ariz. columnist describing life in Russia, including his description of life on state and collective farms. pp. 15424-33

HOUSE

7. APPROPRIATIONS. The Appropriations Committee reported H. R. 12900, the public works appropriation bill for 1963 (H. Rept. 2223). p. 15510
Passed without amendment H. R. 12870, the military construction appropriation bill for 1963. pp. 15446-54
8. FOOD STAMPS. Rep. Sullivan and Rep. Bailey commended the food stamp program (pp. 15476-7). Rep. Hall criticized the program. p. 15477
9. TEXTILES. Rep. Hemphill and Rep. Whitener discussed the plight of the textile industry in the South. pp. 15480-9, 15491-4
10. FARM PROGRAM. Rep. Johnson, Wis., inserted a statement of the National Council of Farmer Cooperatives criticizing the CED report on farm policy saying it "is unrealistic and unacceptable for many reasons." pp. 15505-7
11. PERSONNEL. Conferees were appointed on H. R. 12180, to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the U. S. under Government orders. Senate conferees have not been appointed. pp. 15444-5
12. TARIFFS. Concurred in the Senate amendment to H. R. 10928, to transfer casein or lactarene to the free list of the Tariff Act of 1930. This bill will now be sent to the President. p. 15445

PUBLIC WORKS APPROPRIATION BILL, 1963

AUGUST 14, 1962.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. CANNON, from the Committee on Appropriations, submitted the following

R E P O R T

[To accompany H.R. 12900]

The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for certain Civil Functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain River Basin Commissions, for the fiscal year ending June 30, 1963.

SUMMARY OF THE BILL

Estimates considered by the Committee are those included in the Budget Document and in House Documents numbered 379, 388, 393, 409, 422, 431, 467, 477, and 486. These estimates total \$4,745,332,000. The Committee recommends appropriations of \$4,613,807,900, a reduction of \$131,524,100 in the budget estimates and an increase of \$672,851,920 above appropriations for fiscal year 1962.

NEW STARTS AND UNBUDGETED ITEMS

The budget estimates included a total of 39 new construction starts, 37 for the Corps of Engineers and 2 for the Bureau of Reclamation. The Committee is recommending funding for all of these and has added 12 for the Corps of Engineers, making a total of 51 new construction starts. In addition, the Committee recommends funds for

18 unbudgeted surveys and for the initiation of planning on 8 unbudgeted projects.

The Committee has recommended the amount of \$1,072,514,000 for the programs of the Corps of Engineers and the Bureau of Reclamation. These funds are allocated to a total of 459 projects and activities with a total estimated Federal cost of approximately \$17 billion.

GENERAL INVESTIGATIONS PROGRAMS

In its report last year the Committee called attention to the possibility of overlap and duplication in the General Investigations Programs of the Corps of Engineers and the Bureau of Reclamation. During the course of the year the two agencies have arrived at agreements with respect to certain work in Alaska, the Columbia River Basin, and the Missouri River Basin which will tend to alleviate the possibility of duplicative work in these areas. It is recognized that the present system of legislative authorizations are such that agreements of the type which have been developed can be readily set aside. It is the Committee's hope however, that efforts will be continued on the part of the two agencies to develop additional agreements and to implement them in making legislative recommendations concerning project authorizations to the Congress.

The Committee wishes to emphasize again its suggestion that the matter of potential duplication be given attention by the legislative committees involved. This is an area in which it is possible that substantial savings could be realized in the prosecution of the water resources programs of the Federal Government.

River Basin Approach.—Implementation of the River Basin approach in the investigations programs is evident throughout the justifications presented this year. The Committee is convinced that this approach to water resources problems will evolve as times goes on as the logical and least expensive means of assuring the wisest use of water resources. It does emphasize the need for additional and continuing cooperative effort on the part of all agencies involved in any given area. However, the Committee does not expect it to become an excuse for requests for additional personnel and is convinced that realignment of responsibilities where necessary will serve to handle the workload.

LAND ENHANCEMENT

During the course of the testimony the Committee was advised of the abandonment of the Bureau of the Budget Circular A-47 formula for contributions by local interests for land enhancement resulting from water control projects. The new policy being followed will require local contributions for land enhancement only where such enhancement can be called a windfall benefit of unusual magnitude to limited special interests. This places a difficult responsibility on reporting officers and on those making final determinations with respect to project economics and local contributions. It is expected that this responsibility will be exercised judiciously with the interests of the Federal Government clearly in mind. The Committee intends to review the local contribution requirements on all projects more closely with reference to this matter.

AREA REDEVELOPMENT AGENCY ACTIVITIES

It has come to the Committee's attention that the Area Redevelopment Agency has advanced funds to the Corps of Engineers for the purpose of accomplishing advanced planning and design on a water resources project which is pending currently before the Public Works legislative committee for authorization as a Corps of Engineer project. The Committee has for some time had an arrangement with both the Corps and the Bureau of Reclamation that advances of funds for the purpose of moving projects into the planning or construction stages will not be accepted from local interests without the approval of the Committee. The purpose of this arrangement is to preclude the Congress from seeming to be committed to the continuation of a project before having had an opportunity to review its merits. The Committee sees no reason why advances from the Area Redevelopment Agency should be considered in any different category than advances from local interests. The particular case in question is unusually presumptive with respect to the acceptability of the project since it has not as yet been authorized. The Committee directs that the Corps and the Bureau hereafter submit to the Committee for prior approval any Area Redevelopment Agency project proposals affecting either authorized projects or any others which may have been the subject of prior investigation or are being currently investigated by either of the two agencies.

TITLE I

CIVIL FUNCTIONS—DEPARTMENT OF DEFENSE

CEMETERIAL EXPENSES

Appropriation, 1962-----	\$10, 440, 000
Estimate, 1963-----	10, 276, 000
Recommended, 1963-----	10, 276, 000
Comparison:	
Appropriation, 1962-----	— 164, 000
Estimate, 1963-----	

The funds provided under this heading are to cover the cost of interments in National Cemeteries, grave markers, and the development and maintenance of cemetery properties.

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

Appropriation, 1962-----	\$15, 877, 000
Estimate, 1963-----	17, 265, 000
Recommended, 1963-----	16, 561, 900
Comparison:	
Appropriation, 1962-----	+ 684, 900
Estimate, 1963-----	— 703, 100

The funds provided under this heading are allocated to surveys and activities listed in the table which follows. The Committee has added funds for 18 surveys. In addition, the budget request has been altered on other projects. These changes are noted in the table.

CIVIL WORKS

Project	Type of project	Allocation
Alabama:		
Alabama-Coosa Rivers, Ala. and Ga.-----	Navigation----	\$75, 000
Bayou La Batre-----	do-----	10, 000
Perdido Bay, Ala. and Fla-----	do-----	10, 000
Alaska:		
Harbors and Rivers of Alaska-----	do-----	6, 700
Do-----	Flood control----	12, 000
Knik and Turnagain Arms-----	Navigation----	25, 000
Knik River-----	Flood control----	50, 000
Rampart Canyon-----	Special-----	315, 000
Seward Harbor-----	Navigation----	8, 000
Tenana River at Nenana-----	Flood control----	20, 000
Valdez Glacier streams-----	do-----	15, 000
Wrangell Harbor-----	Navigation----	6, 000
Arizona:		
Gila River, New River and Phoenix-----	Flood control----	76, 600
Gila River, Wilcox area-----	do-----	55, 000
Arkansas:		
Arkansas-Red River pollution study. (See Texas.)		
Fourche La Fave River-----	Flood control----	30, 000
Poteau River, Okla. and Ark. (See Oklahoma.)		
Red River, La., Ark., Okla., and Tex. (See Louisiana.)		
Water Valley Reservoir-----	Flood control----	30, 000
White River Basin, Ark. and Mo-----	Special-----	100, 000
California:		
Alhambra Creek-----	Flood control----	20, 000
Atherton Creek-----	do-----	20, 000
Bolinas Channel-----	Navigation----	15, 000
Cache Creek-----	Flood control----	45, 000
Cosumnes River-----	do-----	19, 000
Crescent City Harbor-----	Navigation----	2, 500
Cucamonga Creek-----	Flood control----	¹ 35, 000
Eel River-----	do-----	40, 000
Guadalupe River-----	do-----	¹ 35, 000
Humboldt Harbor and Bay-----	Navigation----	5, 000
Lytle Creek, San Bernardino-----	Flood control----	50, 000
Merced County stream group (4 reservoirs)-----	do-----	30, 000
Merced River-----	do-----	8, 000
Napa River-----	do-----	58, 000
Pajaro River-----	do-----	60, 000
Poso-Deer-White Stream Group-----	do-----	21, 100
Richardson Bay Streams-----	do-----	¹ 20, 000
Russian River-----	do-----	25, 000
Sacramento-San Joaquin region-----	do-----	30, 000
San Diego Harbor-----	Navigation----	22, 000
San Diego River-----	Flood control----	26, 000
San Francisco Bay area survey-----	Special-----	200, 000
San Francisco Bay to Stockton-----	Navigation----	² 30, 200
San Luis Rey River-----	Flood control----	¹ 20, 000
San Mateo Streams-----	do-----	15, 000
Sonoma Creek-----	do-----	38, 000
Soquel Creek-----	do-----	49, 000
Sweetwater River-----	do-----	10, 000
Tijuana River-----	do-----	¹ 30, 000
Yuba River-----	do-----	11, 800

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Colorado:		
Animas River, Colo. and N. Mex.-----	Flood control--	\$45,700
Arkansas River above Martin Dam-----	do-----	60,000
Cimarron River. (See Kansas)		
South Platte River-----	do-----	45,000
Connecticut:		
Coastal Rivers, Conn., Mass., N.H., R.I., and Maine.	do-----	80,000
Connecticut River Basin, Conn., Mass., Vt., N.H.	Special-----	100,000
Norwalk Harbor-----	Navigation--	3,000
Delaware:		
Delaware Bay-Chesapeake Bay Waterway, Del., Md., and Va.	do-----	30,000
District of Columbia:		
Anacostia River, D.C. and Md.-----	Flood control--	50,000
Potomac River review, District of Columbia, Maryland, Virginia, West Virginia, and Pennsylvania.	Special-----	75,000
Florida:		
Cedar Keys Harbor-----	Navigation--	8,000
East Pass-----	do-----	14,000
Escambia River channel improvement-----	do-----	¹ 30,000
Jacksonville Harbor-----	do-----	40,000
Johns and Pass-a-Grille Passes-----	do-----	23,000
Martin County-----	Flood control--	60,000
Perdido Bay (see Alabama).		
Phillippi Creek-----	do-----	21,000
Satilla-St. Marys-Suwannee, Ga. and Fla. (See Georgia.)		
St. Lucie Inlet-----	Navigation--	36,800
Tampa Harbor-Hillsboro Bay-----	do-----	4,000
Santa Rosa Island and Santa Rosa Peninsula-----	do-----	¹ 20,000
Georgia:		
Alabama-Coosa Rivers, Ala. and Ga. (See Alabama.)		
Altamaha-Oconee-Ocmulgee Rivers-----	Flood control--	7,400
Satilla-St. Marys-Suwannee, Ga. and Fla-----	do-----	39,400
Hawaii:		
Coast of Hawaiian Islands-----	Navigation--	100,000
Honolulu Harbor and Barbers Point-----	do-----	² 75,000
Kawaihae Harbor-----	do-----	² 20,000
Kihei District, Maui-----	Flood control--	17,000
Idaho:		
Boise River at Boise-----	do-----	35,000
Upper Snake River, Idaho and Wyo-----	do-----	150,000
Illinois:		
Big Muddy River and Beaucoup Creek-----	Navigation--	50,000
Fox River, Ill. and Wis-----	Flood control--	30,000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin. (See Michigan.)		
Hammond-Whiting-East Chicago-----	Navigation--	¹ 50,000
Illinois Waterway, Brandon Road Lock-Sag Junction.	do-----	20,000
Ohio River Basin review. (See Ohio.)		
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak. and Wis. (See Minne- sota.)		
Wabash River, Ill. and Ind. (See Indiana.)		

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Indiana:		
Gary Harbor-----	Navigation----	\$15, 000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota and Wisconsin. (See Michigan.)		
Hammond-Whiting-East Chicago. (See Illi- nois.)		
Maumee River, Ind. and Ohio-----	Flood control--	50, 000
Michigan City Harbor-----	Navigation----	5, 000
Ohio River Basin Review. (See Ohio.)		
Pigeon Creek-----	Flood control--	35, 000
St. Joseph River, Mich. and Ind. (See Michi- gan.)		
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak. and Wis. (See Minnesota.)		
Wabash River, Ill. and Ind-----	do-----	² 200, 000
Whitewater River, Ind. and Ohio-----	do-----	25, 000
White River-----	do-----	50, 000
Iowa:		
Des Moines River-----	Flood control--	40, 000
Duck Creek-----	do-----	¹ 5, 000
Fort Madison-----	Navigation----	15, 000
Fox River, Iowa and Mo-----	Flood control--	30, 000
Nishnabotna River-----	do-----	² 55, 000
Snyder Bend Cutoff-----	Navigation----	¹ 15, 000
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak., Wis. (See Min- nesota.)		
Wyaconda River, Mo. and Iowa. (See Mis- souri.)		
Kansas:		
Arkansas-Red River pollution study. (See Texas.)		
Arkansas River-----	Flood control--	45, 000
Arkansas River, Hutchinson-Cimarron River, Kans. and Okla.	do-----	18, 000
Big Creek, Hays-----	do-----	15, 000
Blue River, Kansas City, Mo. and Kans. (See Missouri.)		
Cimarron River, N. Mex., Okla., Colo. and Kans.	do-----	40, 000
Missouri River, Leavenworth-----	do-----	8, 000
Nemaha-Little Nemaha, Nebr. and Kans. (See Nebraska.)		
Walnut River-----	do-----	60, 000
Kentucky:		
Big Sandy River, Ky., W. Va. and Va-----	do-----	49, 200
Cumberland River-Bunches Creek-----	do-----	10, 500
Green and Barren Rivers-----	Navigation----	30, 000
Humphrey Creek to Columbus-----	Flood control--	19, 000
Kinniconick Creek-----	do-----	23, 000
Licking River-----	do-----	38, 000
Ohio River Basin review. (See Ohio.)		
Rockcastle River-----	do-----	23, 000
Salt River-----	do-----	25, 000
Louisiana:		
Arkansas-Red River Pollution Study (see Tex.)		
Harvey Canal and Bayou Barataria-----	Flood control--	19, 000
Mermentau River-----	Navigation----	15, 000
Red River, La., Ark., Okla., and Tex-----	Special-----	250, 000
Teche-Vermillion Basin-----	Flood control--	32, 000

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Maine:		
Androscoggin River, Maine and N.H.-----	Flood control-----	\$5, 000
Biddeford Pool Harbor-----	Navigation-----	6, 000
Coastal Rivers, Conn., Mass., N.H., R.I. and Maine. (See Connecticut.)		
Prospect Harbor-----	do-----	5, 000
Saco River, Maine and N.H.-----	Flood control-----	50, 000
Maryland:		
Anacostia River, District of Columbia and Md. (See District of Columbia.)		
Delaware Bay-Chesapeake Bay Waterway, Del., Md., and Va. (See Delaware.)		
Ohio River Basin review. (See Ohio.)		
Potomac River review. (See District of Co- lumbia.)		
Susquehanna River Basin, Pa., Md., and N.Y. (See Pennsylvania.)		
Massachusetts:		
Coastal Rivers, Conn., Mass., N.H., R.I. and Maine. (See Connecticut.)		
Connecticut River Basin, Conn., Mass., Vt., and N.H. (See Connecticut.)		
Edgartown Harbor-----	Navigation-----	5, 700
Essex River-----	do-----	7, 000
Fall River Harbor, Mass. and R.I.-----	do-----	8, 000
Ipswich River-----	do-----	6, 000
Merrimack River, N.H. and Mass. (See New Hampshire.)		
Rockport Harbor-----	do-----	5, 000
Michigan:		
Cheboygan Harbor-----	Navigation-----	11, 000
Clinton River-----	do-----	10, 000
Do-----	Flood control-----	40, 000
Cross Village-Good Hart-----	Navigation-----	12, 000
Detroit River, Trenton Channel-----	do-----	25, 000
Frankfort Harbor-----	do-----	10, 000
Grand River Basin-----	Special-----	100, 000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin.	Special-----	85, 000
Huron River-----	Flood control-----	40, 000
Inland route lakes levels-----	Navigation-----	22, 000
Lake Erie coast, Michigan and Ohio-----	do-----	20, 000
Manistique and Indian Rivers-----	Flood control-----	20, 000
St. Joseph River, Mich. and Ind.-----	Navigation-----	12, 000
Shore of Lake Huron-----	do-----	20, 900
Tittabawassee River-----	do-----	12, 000
Minnesota:		
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin. (See Michigan.)		
Mississippi River headwaters reservoirs-----	Navigation-----	21, 000
Pigs Eye Lake Harbor-----	do-----	20, 000
Red River, Minn. and N. Dak.-----	Flood control-----	50, 000
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak., and Wis.	Special-----	200, 000
Mississippi:		
Pascagoula River Basin-----	Special-----	100, 000

CIVIL WORKS—Continued

Project	Type of project	Allocation
Missouri:		
Blue River, Kansas City, Mo. and Kans.-----	Flood control	\$10, 000
Fox River, Iowa and Mo. (See Iowa.)		
Gasconade River Basin-----	Flood control	¹ 15, 000
Grand River-----	do-----	38, 000
Meramec River Basin-----	Special-----	215, 000
Osage River, Mo., above Kaysinger Bluff Reservoir.	Flood control	¹ 15, 000
Platte River-----	do-----	30, 000
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak., and Wis. (See Minnesota.)		
White River Basin, Ark. and Mo. (See Arkansas.)		
Wyaconda River, Mo. and Iowa-----	do-----	34, 000
Montana:		
Missouri River above Fort Peck-----	Flood control	150, 000
Nebraska:		
Missouri River, N. Dak., S. Dak., and Nebr. (See North Dakota.)		
Nemaha-Little Nemaha, Nebr. and Kans-----	Flood control	11, 000
Platte River-----	do-----	35, 000
New Hampshire:		
Androscoggin River, Maine and N.H. (See Maine.)		
Coastal Rivers, Conn., Mass., N.H., R.I., and Maine. (See Connecticut.)		
Connecticut River Basin, Conn., Mass., Vt., and N.H. (See Connecticut.)		
Merrimack River, N.H. and Mass-----	Flood control	90, 000
Saco River, Maine and N.H. (See Maine.)		
New Jersey:		
Jersey Meadows, N.J. and N.Y. (See New York.)		
Passaic River-Hackensack-Newark Bay-----	Navigation---	15, 400
Raritan River-----	do-----	25, 000
Raritan River-----	Flood control	5, 000
New Mexico:		
Animas River, Colo. and N. Mex. (See Colorado.)		
Cimarron River. (See Kansas.)		
Rio Puerco and Rio Salada-----	Flood control	27, 000
New York:		
Cazenovia-Cayuga-Buffalo Creeks-----	do-----	² 48, 000
Chittenango Creek-----	do-----	30, 000
Genesee River Basin and Canaseraga Creek-----	do-----	² 100, 000
Great Lakes-Hudson River Waterway-----	Special-----	200, 000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin. (See Michigan.)		
Jamaica Bay-----	Navigation---	15, 000
Jersey Meadows, New York and New Jersey---	Special-----	150, 000
Lake Erie coast of Pennsylvania, Ohio and New York. (See Ohio.)		
Lake Erie-Lake Ontario Waterway-----	Special-----	200, 000
Little River and Cayuga Creek-----	Flood control	¹ 23, 000
Mohawk River and Schoharie Creek-----	do-----	² 26, 000
Ohio River Basin review. (See Ohio.)		

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
New York—Continued		
Port Jefferson Harbor-----	Navigation---	\$12, 000
Rondout Harbor-----	do-----	¹ 35, 000
Susquehanna River Basin, Pa., Md., and N.Y. (See Pennsylvania.)		
Tonawanda Creek-----	Flood control--	31, 800
North Carolina:		
Cape Fear River above Wilmington-----	Navigation---	20, 000
Drum Inlet-----	do-----	7, 500
Neuse River-----	Flood control--	90, 000
Santee River system, North Carolina and South Carolina-----	Navigation---	19, 900
Silver Lake Harbor-----	do-----	10, 000
Waccamaw River, N.C. and S.C-----	Flood control--	24, 500
Wilmington Harbor—Northeast River-----	Navigation---	15, 000
North Dakota:		
Goose River-----	Flood control--	15, 000
Green River-----	do-----	5, 000
Pembina River-----	do-----	50, 000
Red River, Minn. and N. Dak. (See Minne- sota.)		
Souris Mouse River-----	do-----	25, 000
Ohio:		
Clear and Rocky Forks, Mohican River-----	Flood control--	19, 100
Cuyahoga River (Tinkers Creek Dam)-----	do-----	² 75, 000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin. (See Michigan.)		
Hocking River-----	do-----	30, 100
Lake Erie-Ohio River Canal, Ohio and Pa---	Special-----	220, 000
Lake Erie coast, Michigan and Ohio. (See Michigan.)		
Lake Erie coast of Pennsylvania, Ohio and New York.	Navigation---	40, 000
Maumee River, Ind. and Ohio. (See Indiana.)		
Ohio River Basin review, Ohio, Pennsylvania, Indiana, Kentucky, Illinois, Tennessee, New York, Virginia, West Virginia, and Mary- land.	Special-----	³ 500, 000
Whitewater River, Ind. and Ohio. (See In- diana.)		
Oklahoma:		
Arkansas-Red River pollution study. (See Texas.)		
Arkansas and Red Rivers to Oklahoma City---	Navigation---	175, 000
Arkansas River-Eufaula Reservoir-----	do-----	60, 000
Arkansas River, Hutchinson-Cimarron Rivers, Kans. and Okla. (See Kansas.)		
Boswell Reservoir-----	Flood control--	7, 200
Cimarron River. (See Kansas.)		
Poteau River, Okla. and Ark-----	do-----	42, 000
Red River, La., Ark., Okla., and Tex. (See Louisiana.)		
Shidler Reservoir site, Salt Creek-----	do-----	22, 600
Oregon:		
Chetco River-----	Navigation---	14, 000
Coquille River-----	Flood control--	6, 000
Tillamook Bay-----	Navigation---	12, 000
Umpqua River-----	do-----	³ 5, 000
Do-----	Flood control--	72, 700
Willamette River Basin-----	Special-----	100, 000

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Pennsylvania:		
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota, and Wisconsin. (See Michigan.)		
Lake Erie coast, Ohio, Pennsylvania, and New York. (See Ohio.)		
Lake Erie-Ohio River Canal, Ohio and Pa. (See Ohio.)		
Ohio River Basin review. (See Ohio.)		
Potomac River review. (See District of Columbia.)		
Sandy Lick Creek, Dubois-----	Flood control	\$5, 000
Sawmill Run, Pittsburgh-----	do-----	35, 000
Susquehanna River Basin, Pa., Md., and N.Y.	Special-----	300, 000
Rhode Island:		
Coastal rivers, Connecticut, Massachusetts, New Hampshire, Rhode Island, and Maine. (See Connecticut.)		
Fall River Harbor, Mass. and R.I. (See Massachusetts.)		
Providence River and Harbor-----	Navigation----	6, 000
South Carolina:		
Gills Creek-Fort Jackson-----	Flood control--	7, 500
Santee River system, North Carolina, and South Carolina. (See North Carolina.)		
Waccamaw River, N.C. S.C. (See North Carolina.)		
South Dakota:		
Missouri River, N. Dak., S. Dak., and Nebr. (See North Dakota.)		
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak., and Wis. (See Minnesota.)		
Tennessee:		
Ohio River Basin review. (See Ohio.)		
Texas:		
Arkansas-Red River pollution study, Texas, Oklahoma, Kansas, Louisiana and Arkansas.	Special-----	177, 000
Brazos River Basin-----	do-----	² 140, 000
Buffalo Bayou-----	Flood control--	30, 000
Calhoun-Victoria Soil Conservation District-----	do-----	6, 000
Chocolate Bayou-----	Navigation----	13, 000
Colorado River-----	Special-----	228, 000
Edwards underground reservoir-----	Flood control--	75, 000
El Paso-----	do-----	71, 000
Freeport Harbor-----	Navigation----	15, 000
Little Brazos River-----	Flood control--	40, 000
Neches River-----	do-----	75, 000
Port Aransas-Corpus Christi Waterway-----	Navigation----	25, 000
Red River, La., Ark., Okla., and Tex. (See Louisiana.)		
Sabine River-----	Flood control--	95, 000
San Felipe Creek (near Del Rio)-----	do-----	¹ 20, 000
Utah:		
Colorado River above Lee Ferry (Willow Creek and Price River).	do-----	50, 000
Jordan River-----	do-----	20, 000
Vermont:		
Connecticut River Basin, Conn., Mass., Vt., N.H. (See Connecticut.)		

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Virginia:		
Big Sandy River, Ky., W. Va., and Va. (See Kentucky.)		
Delaware Bay-Chesapeake Bay Waterway, Del., Md., and Va. (See Delaware.)		
Lynnhaven Inlet and Bay-----	Navigation-----	\$12, 500
Norfolk Harbor area-----	Navigation-----	30, 000
Ohio River Basin review. (See Ohio.)		
Potomac River review. (See District of Columbia.)		
Rappahannock River, Salem Church-----	Flood control-----	23, 000
Roanoke River, South Boston-----	do-----	6, 000
Washington:		
Ben Franklin Dam site-----	Navigation-----	34, 000
Grays Harbor (south jetty)-----	do-----	² 57, 000
Point Roberts-----	do-----	22, 500
Seattle Harbor, Duwamish Waterway-----	do-----	10, 000
Skagit River-----	do-----	20, 000
Do-----	Flood control-----	56, 500
Snohomish River-----	do-----	90, 000
Stillaguamish River-----	do-----	30, 000
Walla Walla River-----	do-----	20, 800
West Virginia:		
Big Sandy River, Ky., W. Va., and Va. (See Kentucky.)		
Cheat River-----	Flood control-----	102, 000
Ohio River Basin review. (See Ohio.)		
Potomac River review. (See District of Columbia.)		
Wisconsin:		
Fox River, Ill. and Wis. (See Illinois.)		
Fox and Wolf Rivers-----	do-----	50, 000
Baraboo River at Baraboo-----	do-----	¹ 10, 000
Great Lakes water levels, Michigan, Ohio, Pennsylvania, New York, Indiana, Illinois, Minnesota and Wisconsin. (See Michigan.)		
Milwaukee River-----	do-----	30, 000
State road—Ebner Coulee-----	do-----	¹ 10, 000
Upper Mississippi River Basin, Minn., Ill., Mo., Iowa, Ind., S. Dak., Wis. (See Minnesota.)		
Washburn Harbor-----	Navigation-----	¹ 20, 000
Wyoming:		
Upper Snake River, Idaho and Wyo. (See Idaho.)		
Items not listed under States: General investigations:		
Surveys: Beach erosion cooperative studies-----		250, 000
Special studies:		
Coordination studies with other agencies (Public Law 566, Public Law 984, etc.)-----		300, 000
Hurricane studies-----		945, 000
Collection and study of basic data:		
Stream gaging (U.S. Geological Survey)-----		250, 000
Precipitation studies (U.S. Weather Bureau)-----		380, 000
Fish and wildlife studies (U.S. Fish and Wildlife Service)-----		100, 000
International water studies-----		85, 000
Flood plain studies-----		700, 000

See footnotes at end of table, p. 12.

CIVIL WORKS—Continued

Project	Type of project	Allocation
Items not listed under States—Continued		
Research and development:		
Beach erosion development studies.....		\$400, 000
Hydrologic studies.....		175, 000
Civil works investigations.....		³ 1, 300, 000
Mississippi Basin model:		
(1) Construction.....		650, 000
(2) Mississippi River comprehensive study.....		200, 000
Nuclear explosives studies.....		³ 400, 000
Other reductions, including slippage.....		—272, 200
Total, allowance.....		16, 561, 900

¹ Unbudgeted.

² Includes increase above budget.

³ Reflects reduction in budget.

REDUCTIONS RECOMMENDED AND OTHER ACTIONS

The Committee has made the following reductions in the budget amounts for items in the general investigations program:

Sacramento River and Butte Basin, California.—The budget request of \$25,000 has been disallowed for this particular item since it has been studied repeatedly since 1911 and the State of California is making an investigation currently of its own in this area.

Missouri River, North Dakota, South Dakota, and Nebraska.—The Committee has disallowed \$60,000 budgeted for studying the possibility of extending navigation from Sioux City, Iowa to the North Dakota-Montana State line. The cost of developing this section of the river would obviously be extremely high and the likelihood of its being found economically feasible in the near future is too remote to justify continuing the funding of this study.

Ohio River review.—The budget estimate was \$600,000. The Committee has allowed \$500,000 which is the same amount as was available during fiscal year 1962. There seems to be no particular need for increasing the rate of expenditure on this study, particularly since at least two more years of work will be necessary under any circumstances before it can be completed.

Umpqua River Navigation Study, Oregon.—A reduction from \$20,600 to \$5,000 was recommended by the Corps of Engineers on this study since local interests have requested a delay.

Great Salt Lake, Garfield, Utah.—The Committee has disallowed the budget estimate of \$17,800. These funds were for studying the development of a small boat facility with the hope that it can be built in order to revive interest in an existing recreation area. The same request was disallowed by the Committee two years ago. No new justification has been offered for going back to it.

Basin planning studies.—The Committee has disallowed the budget request of \$400,000 for additional personnel claimed to be necessary because of the new basin approach in planning activities discussed previously in this report. The Committee does not disagree with this approach to water resources planning but feels strongly that it should

not be an excuse for additional personnel. There are now substantial numbers of employees assigned to such basin studies as those on the Potomac and Ohio Rivers. As such specifically authorized studies are completed, the experience of the personnel who have been assigned to them should be used to fulfill the needs in connection with this new overall approach.

Civil Works Investigations.—The Committee recommends \$1,300,000 for this program, a reduction of \$250,000 in the estimate. The amount provided holds the program at the previous year level. The Committee is not convinced of the need for expansion of the research work being done under this heading.

Nuclear Explosives Studies for Civil Construction.—A total of \$400,000, a reduction of \$265,000 in the estimate, is provided for this new program which will permit the Corps of Engineers to participate with the Atomic Energy Commission in nuclear explosive studies for use in civil construction programs. Since funds will not be available until after three or four months of the fiscal year have gone by, the amount provided should be adequate for the first year.

North Central Division.—The Committee has reduced the budget request of \$1,548,400 for investigations throughout the North Central Division to \$1,340,000. This reduction of \$208,000 will hold the program at the 1962 fiscal year level. The entire program in this Division, including general investigations, advanced planning and construction has fallen behind schedule in the current fiscal year. Until evidence can be presented that the Division is able to keep its work more nearly on a current basis, there seems to be little justification for increasing the level of this program. The specific changes made by the Committee in this program, as shown in the foregoing tabulation, are to be implemented.

Susquehanna River Basin.—The Committee has allowed the \$300,000 requested for the initiation of a comprehensive study of the Susquehanna River Basin, with the proviso that all presently authorized unconstructed storage reservoir projects in that basin shall be reanalyzed in the light of present conditions to determine whether alternate projects or other methods of flood protection or prevention are desirable or justified. The Committee action is also predicated on the understanding that the study will be made in cooperation with State agencies and the Department of Agriculture's Soil Conservation Service so as to fully evaluate the potentials of small watershed projects, alternate reservoir projects, local protection projects and other measures as alternates to large reservoir projects that adversely affect important local areas, or which would minimize the need for such reservoirs.

Meramec River Basin Study.—The Soil Conservation Service is undertaking a study in this river basin which will make use of the resources and talents of the various agencies of the Department of Agriculture including the Soil Conservation Service, the Economic Research Service, the Farmers Home Administration and the Forest Service. In the report on the 1963 Agricultural Appropriation Bill the Soil Conservation Service is directed to coordinate fully in this undertaking with the work of the Corps of Engineers and other Federal, State and local and private agencies in order to develop a comprehensive plan which will give full recognition to all economic potentialities as well as economic interests in the basin. The Com-

mittee directs that this be made a completely reciprocal effort and that the Corps in their current study bring these other agencies into full collaboration before presenting a survey report on the basin to the Congress.

Brazos River Basin.—The increase of \$40,000 provided for this survey is for an interim study at Plainview, Tex.

Construction, General

Appropriation, 1962.....	\$724, 021, 880
Estimate, 1963.....	777, 645, 000
Recommended, 1963.....	762, 361, 000
Comparison:	
Appropriation, 1962.....	+38, 339, 120
Estimate, 1963.....	—15, 284, 000

The following table shows each project for which funds are recommended for advanced engineering and design (planning) and for actual construction:

Construction, general, State and project	Budget estimate, fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Alabama:				
Aquatic plant control. (See Louisiana.)		\$210, 000		\$210, 000
Claiborne lock and dam	\$2, 254, 000		\$2, 254, 000	
Columbia lock and dam, Alabama and Georgia	3, 500, 000		3, 500, 000	
Holt lock and dam		150, 000		150, 000
Jones Bluff lock and dam	1, 000, 000		1, 000, 000	
Millers Ferry lock and dam	350, 000		350, 000	
Paint Rock River				
Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)				
Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia	8, 138, 000		8, 138, 000	
Alaska:				
Fairbanks		60, 000		60, 000
Juneau Harbor	760, 000		760, 000	
Arizona:				
Gila and Salt Rivers		90, 000		90, 000
Tucson	400, 000		400, 000	

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Arkansas:				
Arkansas River and tributaries, Arkansas and Oklahoma:				
(a) Bank stabilization and channel rectification	\$18,000,000	\$2,000,000	\$18,000,000	\$2,000,000
(b) Navigation locks and dams	14,000,000		14,000,000	
Beaver Reservoir	2,000,000		2,000,000	
Bull Shoals Reservoir, Ark. and Mo., additions of units Nos. 7 and 8	16,000,000		16,000,000	
Dardanelle lock and dam		50,000		50,000
De Queen Reservoir	950,000		1,550,000	
DeGray Reservoir	150,000		150,000	
Garland City, Red River		99,000		99,000
Gillham Reservoir				
Greers Ferry Reservoir	4,900,000		4,900,000	
Millwood Reservoir	9,500,000		9,500,000	
Ouachita and Black Rivers, Ark. and La.		235,000		235,000
Ozark lock and dam		300,000		300,000
Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	300,000		300,000	
California:				
Bear Creek	400,000		400,000	
Black Butte Reservoir	3,529,000		3,529,000	

Cananche Reservoir, Mokelumne River	3,000,000		3,000,000	
Crescent City Harbor (breakwater)	200,000		200,000	
Imperial Beach, San Diego County (reimbursement)	20,000		20,000	
Los Angeles County drainage area	15,000,000		15,000,000	
Lower San Joaquin River and tributaries	1,700,000		1,700,000	
Monterey Harbor		90,000		90,000
Morro Bay (breakwater)	800,000		800,000	
New Hogan Reservoir	4,140,000		4,140,000	
Oceanside (reimbursement)	672,000		672,000	
Oroville Reservoir	15,000,000		14,000,000	
Russian River Basin (Coyote Valley Dam)	1,000,000		1,000,000	
Sacramento River bank protection		50,000		50,000
Sacramento River and major and minor tributaries	400,000		400,000	
Sacramento River, Chico Landing to Red Bluff	200,000		200,000	
Sacramento River deep water ship channel	5,910,000		5,910,000	
Sacramento River flood control project	1,500,000		1,500,000	
Santa Cruz County (reimbursement)	70,000		70,000	
Santa Cruz Harbor	1,520,000		1,520,000	
Stewart Canyon debris basin	522,000		522,000	
Tahchevak Creek		110,000		110,000
Walnut Creek		225,000		225,000
West Fork Reservoir		100,000		100,000
Colorado:				
Trinidad Reservoir		155,000		155,000
Connecticut:				
Bridgeport Harbor, Black Rock channel		26,000		
Colebrook River Reservoir		250,000		250,000
East Branch Reservoir	700,000		700,000	
Hancock Brook Reservoir	400,000		400,000	
Hop Brook Reservoir		50,000		50,000
Mad River Reservoir	1,826,000		1,826,000	
Northfield Brook Dam and Reservoir			400,000	
Stamford		250,000		250,000
West Thompson Reservoir		142,000		342,000

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Delaware:				
Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)	\$750, 000		\$750, 000	
Indian River Inlet (bulkheads)				
Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	5, 000, 000		5, 000, 000	
Rehoboth Beach to Indian River Inlet (reimburse- ment)	110, 000		110, 000	
Florida:				
Apalachicola River	500, 000		500, 000	
Aquatic plant control. (See Louisiana.)				
Bakers Haulover Inlet		\$15, 000		\$15, 000
Central and southern Florida				
Cross-Florida Barge Canal	13, 500, 000		13, 500, 000	
Intracoastal Waterway:		205, 000		
(a) Caloosahatchee River to Anclote River	900, 000		900, 000	
(b) Jacksonville to Miami	800, 000		800, 000	
Miami Harbor (1960 act)	400, 000		400, 000	
Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	15, 000		15, 000	
Port Everglades Harbor (1958 act)	677, 000		677, 000	

St. Marks River-----	1, 200, 000	10, 000	1, 200, 000	10, 000
St. Petersburg Harbor (deferred)-----				
Georgia:				
Aquatic plant control. (See Louisiana.)				
Carters Dam-----	2, 500, 000		2, 500, 000	
Columbia lock and dam, Alabama and Georgia. (See Alabama.)				
Hartwell Reservoir, Ga. and S.C-----	3, 700, 000		3, 700, 000	
Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)				
Hawaii:				
Hilo Harbor-----		600, 000		600, 000
Waioala Stream-----	200, 000		200, 000	
Idaho:				
Columbia River local protection: Boise Valley-----		21, 000		21, 000
Illinois:				
Beardstown-----	900, 000		900, 000	
Calumet Harbor and River (breakwater), Ill. and Ind-----	600, 000		600, 000	
Calumet Harbor and River, Ill. and Ind.: 29-foot approach channel, 28-foot outer harbor, and 27-foot entrance-----	1, 000, 000		1, 000, 000	
Calumet River bridge alterations-----	500, 000		500, 000	
Carlyle Reservoir-----	6, 400, 000		6, 400, 000	
Chicago Harbor (breakwater)-----		30, 000		30, 000
Clear Creek Drainage and Levee District-----	70, 000		70, 000	
Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri-----	858, 000		858, 000	
Drury Drainage District-----	435, 000		435, 000	
East St. Louis and vicinity-----	1, 200, 000		1, 200, 000	

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Illinois—Continued				
Freeport.....				\$50, 000
Henderson County Drainage District No. 1.....		\$32, 000		32, 000
Henderson County Drainage District No. 2.....		38, 000		38, 000
Hunt Drainage District and Lima Lake Drainage District.....	\$150, 000		\$150, 000	
Illinois Waterway, Calumet-Sag Channel, pt. I, Illinois and Indiana.....	9, 500, 000		9, 500, 000	
Indian Grave Drainage District.....		50, 000		50, 000
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.: (a) Regulating works.....	2, 300, 000		2, 300, 000	
(b) Chain of Rocks.....	50, 000		50, 000	
New Athens.....				
Rochester and McClearys Bluff levee.....		73, 000		73, 000
Shelbyville Reservoir.....		45, 000		45, 000
Sny Island Levee Drainage District.....	326, 000		326, 000	
South Quincy Drainage and Levee District.....		100, 000		100, 000
Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Levee and Drainage District.....		27, 000		27, 000
The Sny Basin.....	600, 000		600, 000	
Tri Pond levee.....	3, 800, 000		3, 800, 000	
		48, 000		48, 000

Indiana:					75,000
Brookville Reservoir					
Calumet River and Harbor, Ill. and Ind. (See Illinois.)					
Cannelton locks and dam, Indiana and Kentucky	2,750,000			2,750,000	
Evansville	700,000			700,000	
Greenfield Bayou levee (deferred)		10,000			10,000
Illinois Waterway, Ill. and Ind. (See Illinois.)					
Indiana Harbor, 1960 act	510,000			510,000	
Levee unit 5, Wabash River	250,000			250,000	
Markland locks and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)					
Mason J. Niblack levee	700,000			700,000	
McAlpine locks and dam, Indiana and Kentucky. (See Kentucky.)					
Mississinewa Reservoir	1,690,000			1,690,000	
Monroe Reservoir	800,000			800,000	
Newburgh lock and dam					150,000
Salamonie Reservoir	1,800,000			1,800,000	
Uniontown locks and dam, Indiana and Kentucky		200,000			200,000
West Terre Haute	332,000			332,000	
Iowa:					
Chariton River, Mo. and Iowa, (levees at mouth)					50,000
Coralville Reservoir, Mehaffey Bridge		40,000			40,000
Des Moines		40,000			40,000
Floyd River and tributaries	3,000,000			3,000,000	
Green Bay Levee and Drainage District No. 2	100,000			100,000	
Iowa River—Flint Creek Levee District No. 16	700,000			700,000	
Little Sioux River	500,000			500,000	
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska	2,300,000			2,350,000	

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Iowa—Continued				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska:				
(a) Sioux City, Iowa, to Omaha, Nebr-----	\$6, 000, 000	-----	\$6, 000, 000	-----
(b) Omaha, Nebr., to Kansas City-----	2, 400, 000	-----	2, 400, 000	-----
(c) Kansas City to the mouth-----	3, 000, 000	-----	3, 000, 000	-----
Muscatine Island Levee District and Muscatine- Louisa County Drainage District No. 13-----	150, 000	-----	150, 000	-----
Rathbun Reservoir-----		\$159, 000		\$159, 000
Red Rock Reservoir-----	9, 800, 000	-----	9, 800, 000	-----
Kansas:				
Cedar Point Reservoir (deferred)-----		25, 000		25, 000
Council Grove Reservoir-----	3, 000, 000	-----	3, 000, 000	-----
Elk City Reservoir-----	2, 700, 000	-----	2, 700, 000	-----
Fort Leavenworth Bridge-----	430, 000	-----	430, 000	-----
Fort Scott Reservoir (deferred)-----		30, 000		30, 000
Frankfort-----	825, 000	-----	825, 000	-----
John Redmond (Strawn) Reservoir-----	9, 000, 000	-----	9, 000, 000	-----
Kansas City, Kans. and Mo-----	1, 200, 000	-----	1, 200, 000	-----
Lawrence-----		78, 000		78, 000
Manhattan-----	1, 050, 000	-----	1, 050, 000	-----
Marion Reservoir-----		71, 000		71, 000
Melvorn Reservoir-----		200, 000		200, 000

Milford Reservoir-----	11, 600, 000	-----	-----
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)	-----	-----	-----
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)	-----	-----	-----
Osawatimie-----	40, 000	-----	40, 000
Pomona Reservoir-----	2, 200, 000	-----	-----
Topeka-----	2, 200, 000	-----	-----
Tuttle Creek Reservoir-----	2, 632, 000	-----	-----
Wilson Reservoir-----	4, 400, 000	-----	-----
Kentucky:			
Barkley Dam, Ky. and Tenn-----	31, 200, 000	-----	-----
Barren River Reservoir-----	10, 110, 000	-----	-----
Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)	-----	-----	-----
Capt. Anthony Meldahl locks and dam, Kentucky and Ohio-----	10, 200, 000	-----	-----
Cave Run Reservoir-----	-----	75, 000	75, 000
Corbin-----	200, 000	-----	-----
Fishtrap Reservoir-----	6, 700, 000	-----	-----
Frankfort (floodwall)-----	-----	-----	25, 000
Grayson Reservoir-----	-----	371, 000	371, 000
Green River Reservoir-----	-----	-----	-----
Laurel River Reservoir-----	1, 000, 000	-----	653, 000
Markland locks and dam, Indiana, Kentucky, and Ohio-----	7, 977, 000	-----	-----
McAlpine locks and dam (Louisville), Indiana and Kentucky-----	3, 500, 000	-----	-----
Nolin Reservoir-----	2, 536, 000	-----	-----
Uniontown lock and dam, Indiana and Kentucky. (See Indiana.)	-----	-----	-----

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Louisiana:				
Aquatic plant control, Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas-----	\$940, 000	-----	\$940, 000	-----
Bayou LaFourche and LaFourche Jump Waterway--	500, 000	-----	500, 000	-----
Calcasieu River and Pass (1960 act)-----	2, 500, 000	-----	2, 500, 000	-----
Freshwater Bayou-----	600, 000	-----	600, 000	-----
Mississippi River, Baton Rouge to the Gulf of Mexico-----				
Mississippi River gulf outlet-----	2, 569, 000	-----	2, 569, 000	-----
Ouachita and Black Rivers, Ark. and La. (See Arkansas.)-----	8, 000, 000	-----	8, 000, 000	-----
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)-----				
Maryland:				
Baltimore Harbor and channels (1958 act)-----				
Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake & Delaware Canal) pt. II, Delaware and Maryland. (See Delaware.)-----	4, 100, 000	-----	4, 100, 000	-----
Pocomoke River-----	300, 000	-----	300, 000	-----

Massachusetts:					
Cape Cod Canal-Bourne Bridge	350,000	\$38,000	350,000	\$38,000	
Chicopee Falls		160,000		160,000	
Conant Brook Reservoir	1,900,000		2,200,000		
Littleville Reservoir	1,200,000		1,200,000		
New Bedford-Fairhaven and Acushnet barriers		15,000		15,000	
Provincetown Harbor		50,000	350,000		
Three Rivers	23,000		23,000		
Wessagussett Beach (reimbursement)		120,000		120,000	
Westfield					
Michigan:					
Detroit River, enlarge Trenton Channel	4,000,000		4,000,000		
Grand Haven Harbor (piers and revetment)	830,000		830,000		
Great Lakes connecting channels	3,200,000		3,200,000		
Hammond Bay Harbor	1,000,000		1,000,000		
Holland Harbor (piers, revetment, and breakwater)	300,000		300,000		
Little Lake Harbor	610,000		610,000		
Ludington Harbor (piers, revetments, and breakwater)		40,000		40,000	
Manistee Harbor	900,000		900,000		
Manistee Harbor (piers, revetment, and breakwater)		45,000		45,000	
Manistique Harbor (breakwaters)	300,000		300,000		
Menominee Harbor (piers), Michigan and Wisconsin					
Saginaw River	500,000		500,000		
Saginaw River	1,666,000		1,666,000		
St. Joseph Harbor (piers and revetments)	300,000		300,000		
St. Marys River, New Poe lock	81,000		81,000		
South Haven Harbor (piers and revetments)	750,000		750,000		
	570,000		570,000		

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Minnesota:				
Duluth-Superior Harbor:				
(a) Inner Harbor 27-foot and 23-foot channels	\$300, 000		\$300, 000	
(b) Outer Harbor 32-foot to 27-foot channel	2, 580, 000		2, 580, 000	
Marshall, Redwood River	750, 000		750, 000	
Reservoirs at headwaters of Mississippi River (Win-				
nibigoshish Dam)		\$30, 000		\$30, 000
St. Anthony Falls extension	4, 430, 000		4, 000, 000	
St. Paul and South St. Paul	1, 700, 000		1, 700, 000	
Mississippi:				
Aquatic plant control. (See Louisiana.)				
Jackson and East Jackson		123, 000	500, 000	
Tombigbee River and tributaries		106, 000		106, 000
Missouri:				
Bull Shoals Reservoir, Units 7 and 8, Arkansas and				
Missouri. (See Arkansas.)				
Canton				
Cape Girardeau and vicinity	200, 000		200, 000	
Dam 27, Mississippi River between St. Louis and	200, 000		200, 000	
lock and dam 26, Illinois and Missouri. (See				
Illinois.)				
Joanna Reservoir				100, 000
Kansas Citys, Kans. and Mo. (See Kansas.)				

	267, 000	1, 000, 000	267, 000	1, 000, 000	267, 000
Kaysinger Bluff Reservoir (with power)					
Kaysinger Bluff Reservoir, highway construction					
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo., regulating works. (See Illinois.)					
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)					
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)					
Perry County Drainage and Levee Districts 1, 2, and 3	180, 000				
South River Drainage District					
St Louis	8, 800, 000				
Stockton Reservoir	900, 000				
Montana:					
Libby Reservoir			2, 600, 000		2, 600, 000
Nebraska:					
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)					
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)					
Salt Creek and tributaries	2, 300, 000			2, 300, 000	
Nevada:					
Humboldt River (deferred)			15, 000		15, 000
Las Vegas Wash			100, 000		100, 000
New Hampshire:					
Claremont Reservoir (deferred)			30, 000		30, 000
Hopkinton-Everett Reservoir	2, 587, 000			2, 587, 000	

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
New Jersey:				
Atlantic City (reimbursement)-----	\$129, 000	-----	\$129, 000	-----
Barnegat Light (reimbursement)-----	62, 000	-----	62, 000	-----
Cold Spring Inlet (breakwater)-----		\$15, 000	-----	\$15, 000
Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey-----	4, 500, 000	-----	4, 500, 000	-----
Delaware River, Philadelphia to sea (main dikes) New Jersey, Pennsylvania, and Delaware-----	750, 000	-----	750, 000	-----
Delaware River, Philadelphia to sea (Marcus Hook Anchorage)-----			300, 000	-----
Long Beach (reimbursement)-----	42, 000	-----	42, 000	-----
Manasquan Inlet (bulkheads)-----		10, 000	-----	10, 000
New Jersey Intracoastal Waterway (jetties)-----		12, 000	-----	12, 000
Ocean City (reimbursement)-----	158, 000	-----	158, 000	-----
New Mexico:				
Cochiti Reservoir-----		350, 000	-----	350, 000
Galisteo Reservoir-----		200, 000	-----	200, 000
Socorro-----	1, 500, 000	-----	1, 500, 000	-----
Two Rivers Reservoir-----	1, 911, 000	-----	1, 911, 000	-----

New York:		7, 000	7, 000	7, 000
Allegany (deferred)	Reservoir, N.Y. and Pa. (See Pennsylvania.)			
Buffalo Harbor:				
(a) Deepen north entrance, Buffalo River entrance, Buffalo River, Buffalo ship canal		450, 000		450, 000
(b) South entrance, 28-, 29-, and 30-foot channel (1960 act)		1, 000, 000		1, 000, 000
Fire Island Inlet to Montauk Point			250, 000	250, 000
Flushing Bay and Creek				1, 500, 000
Great Lakes to Hudson River Waterway		400, 000		400, 000
Great Sodus Bay (piers)		473, 000		473, 000
Herkimer		880, 000		880, 000
Hudson River, New York City to Albany		5, 300, 000		5, 300, 000
Ithaca (Cayuga Inlet)			112, 000	112, 000
Lackawanna			78, 000	78, 000
Lake Chatauqua and Chadakoin River			35, 000	35, 000
New York Harbor, 35-foot channel from ocean to bayside				
Rochester Harbor		1, 537, 000		1, 537, 000
Selkirk Shores State Park (reimbursement)		900, 000		900, 000
South Amsterdam		40, 000		40, 000
South Carolina:		300, 000		300, 000
Aquatic plant control. (See Louisiana.)				
Wilkesboro Reservoir		800, 000		800, 000
North Dakota:				
Garrison Reservoir				
Oahe Reservoir, N. Dak. and S. Dak. (See South Dakota.)		600, 000		600, 000

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Ohio:				
Ashtabula Harbor (1960 act)-----	\$1,200,000	-----	\$1,200,000	-----
Belleville locks and dam, Ohio and West Virginia-----	3,200,000	-----	3,200,000	-----
Big Darby Reservoir-----				\$250,000
Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)-----				
Cleveland Harbor:				
(a) Bridge replacements widening, Cuyahoga and Old River, and deepening channel in east basin and outer harbor (1958 act)-----	300,000	-----	300,000	-----
(b) 28-foot approach channel, 27-foot entrance channel, 27-foot river channel, 28 feet in west basin (1960 act)-----	1,000,000	-----	1,000,000	-----
Cleveland Harbor (breakwater)-----	253,000	-----	253,000	-----
Conneaut Harbor (breakwater)-----	265,000	-----	265,000	-----
Deer Creek Reservoir-----				250,000
Fairport Harbor-----	400,000	-----	400,000	-----
Hannibal locks and dam, Ohio and West Virginia-----		\$100,000		100,000
Lorain Harbor (1960 act)-----	3,000,000	-----	3,000,000	-----
Markland lock and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)-----				
Paint Creek Reservoir-----				250,000
Pike Island locks and dam, Ohio and West Virginia-----	12,400,000	-----	12,400,000	-----

Racine locks and dam, Ohio and West Virginia	-----	-----	-----	395,000
Sandusky Harbor (1960 act)	-----	1,800,000	-----	-----
Sandusky Harbor (east jetty)	-----	200,000	-----	-----
Shenango River Reservoir, Ohio and Pa. (See Pennsylvania.)	-----	-----	-----	-----
Toledo Harbor (1950, 1958, and 1960 acts)	-----	4,700,000	-----	-----
West Branch Reservoir, Mahoning River	-----	2,400,000	-----	-----
Oklahoma:				
Arkansas River and tributaries bank stabilization and channel rectification, Arkansas and Oklahoma. (See Arkansas.)				
Arkansas River and tributaries navigation locks and dam, Arkansas and Oklahoma. (See Arkansas.)				
Broken Bow Reservoir	-----	3,400,000	-----	-----
Eufaula Reservoir	-----	31,300,000	-----	-----
Keystone Reservoir	-----	21,000,000	-----	-----
Pine Creek Reservoir	-----	600,000	-----	-----
Short Mountain lock and dam	-----	-----	531,000	531,000
Webbers Falls lock and dam	-----	-----	325,000	325,000
Oregon:				
Columbia River at the mouth, Oregon and Washington	-----	-----	130,000	130,000
Columbia River at the mouth (jetties), Oregon and Washington	-----	2,000,000	-----	-----
Columbia River local protection:				
John Day River	-----	-----	20,000	20,000
Coos Bay (south jetty)	-----	1,600,000	-----	-----
Coos and Millicoma Rivers	-----	-----	-----	23,000
Cougar Reservoir	-----	9,100,000	-----	-----
Fall Creek Reservoir	-----	1,900,000	-----	-----

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Oregon—Continued				
Green Peter Reservoir-----	\$6, 100, 000	-----	\$6, 100, 000	-----
John Day lock and dam, Oregon and Washington-----	43, 000, 000	-----	43, 000, 000	-----
Lower Columbia River bank protection, Oregon and Washington-----	400, 000	-----	400, 000	-----
Lower Columbia River improvement to existing works:				
Beaver Drainage District-----	516, 000	-----	516, 000	-----
Siuslaw River (south jetty)-----	720, 000	-----	720, 000	-----
Tillamook Bay and Harbor (north jetty)-----	500, 000	-----	500, 000	-----
Umpqua River (south jetty)-----	2, 160, 000	-----	2, 160, 000	-----
Willamette River Basin bank protection-----	600, 000	-----	600, 000	-----
Yaquina Bay and Harbor-----		\$100, 000		\$100, 000
Yaquina Bay and Harbor (jetties)-----		30, 000		30, 000
Pennsylvania:				
Allegheny River Reservoir, Pa. and N.Y.-----	24, 800, 000	-----	24, 800, 000	-----
Bethlehem-----	1, 300, 000	-----	1, 300, 000	-----
Blanchard Reservoir-----		350, 000		350, 000
Butler-----	700, 000	-----	700, 000	-----
Curwensville Reservoir-----	5, 000, 000	-----	5, 000, 000	-----
Dam 4, Monongahela River-----	500, 000	-----	500, 000	-----
Delaware River, Philadelphia to sea (main dikes),				

Delaware, Pennsylvania, and New Jersey. (See New Jersey.)				
Delaware River, Philadelphia Naval Base to Trenton. (See New Jersey.)	1, 220, 000	1, 220, 000		
Erie Harbor (1960 act)		75, 000		75, 000
Latrobe				
Maxwell locks and dam, Monongahela River	7, 800, 000	7, 800, 000		
Presque Isle Peninsula (reimbursement)	186, 000	186, 000		
Ridgway	241, 000	241, 000		
Shenango River Reservoir, Ohio and Pa.	7, 600, 000	7, 600, 000		
Tioga-Hammond Reservoir		100, 000		
Turtle Creek	1, 300, 000	1, 300, 000		
Puerto Rico:				
San Juan Harbor	4, 500, 000	2, 400, 000		
Rhode Island:				
Fox Point barrier	4, 000, 000	4, 000, 000		
Lower Woonsocket	300, 000	300, 000		
Point Judith Harbor (breakwater)	810, 000	810, 000		
South Carolina:				
Aquatic plant control. (See Louisiana.)				
Charleston Harbor (1945 act)	824, 000	824, 000		
Hartwell Reservoir, Ga. and S.C. (See Georgia.)				
South Dakota:				
Big Bend Reservoir	26, 000, 000	26, 000, 000		
Cottonwood Springs Reservoirs (deferred)		15, 000		15, 000
Fort Randall Reservoir	2, 300, 000	2, 300, 000		
Oahe Reservoir, S. Dak. and N. Dak.	20, 000, 000	20, 000, 000		
Tennessee:				
Barkley Dam, Ky. and Tenn. (See Kentucky.)				
Cordell Hull Dam		309, 000		1, 000, 000
J. Percy Priest Reservoir		404, 000		1, 000, 000

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Texas:				
Aquatic plant control. (See Louisiana.)				
Bardwell Reservoir	\$500,000	\$45,000	\$500,000	\$45,000
Big Fossil Creek		50,000		50,000
Bladders Creek Reservoir, New Braunfels	4,800,000		4,800,000	
Buffalo Bayou and tributaries	3,200,000		3,200,000	
Canyon Reservoir		70,000		70,000
Fort Worth floodway upstream extension	1,500,000		1,500,000	
Galveston Harbor (jetties)				
Gulf Intracoastal Waterway:				
Guadalupe River channel to Victoria	450,000		450,000	
Gulf Intracoastal Waterway, Port O'Connor (dikes)		25,000		25,000
Houston Ship Channel:				
(a) Bend easing and widening to 36-foot depth only	3,500,000		3,500,000	
(b) Deeping to 40 feet (phase II)	948,000		948,000	
Matagorda ship channel, 38- and 36-foot channels	4,500,000		4,500,000	
McGee Bend Dam	10,200,000		10,200,000	
Navarro Mills Reservoir	2,080,000		2,080,000	
Port Aransas-Corpus Christi Waterway:				
Channel to Viola, 36-foot depth, phase I	450,000		450,000	
Port Aransas-Corpus Christi Waterway (42- and 40-foot project)			500,000	

Proctor Reservoir-----	4, 600, 000	-----	-----
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)-----	-----	-----	4, 600, 000
Sabine-Neches Waterway-----	1, 500, 000	-----	-----
San Antonio Channel-----	1, 000, 000	-----	-----
Somerville Reservoir-----	1, 500, 000	-----	-----
Stillhouse Hollow Dam-----	1, 700, 000	-----	-----
Texas City-----	1, 300, 000	-----	-----
Texas City Channel (dike)-----	40, 000	-----	40, 000
Waco Reservoir-----	15, 000, 000	-----	-----
Utah:-----	-----	-----	-----
Weber River-----	250, 000	-----	-----
Vermont:-----	-----	-----	-----
Burlington Harbor (breakwater)-----	800, 000	-----	-----
Virginia:-----	-----	-----	-----
Gathright Reservoir and Falling Springs reregulat- ing dam (deferred)-----	40, 000	-----	40, 000
John W. Flannagan (Pound) Reservoir-----	3, 200, 000	-----	-----
North Fork of Pound Reservoir-----	500, 000	-----	-----
Washington:-----	-----	-----	-----
Colfax-----	1, 200, 000	-----	-----
Columbia River at the mouth, Oregon and Washing- ton—jetties. (See Oregon.)-----	-----	-----	-----
Columbia River at the mouth, Oregon and Wash- ington. (See Oregon.)-----	-----	-----	-----
Everett Harbor and Snohomish River-----	1, 208, 000	-----	-----
Howard A. Hanson (Eagle Gorge) Reservoir-----	200, 000	-----	-----
John Day lock and dam, Oregon and Washington. (See Oregon.)-----	-----	-----	-----
Little Goose lock and dam-----	1, 600, 000	-----	-----

Construction, general, State and project	Budget estimate fiscal year 1963 (as amended)		Allocation	
	Construction	Planning	Construction	Planning
Washington—Continued				
Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)				
Lower Columbia River improvement to existing works:				
Cowlitz County Consolidated Diking and Improvement District No. 2		\$50,000		\$50,000
Lower Granite lock and dam		500,000		500,000
Lower Monumental lock and dam	\$18,500,000		\$18,500,000	
Pullman		25,000		25,000
Sammamish River	1,060,000		1,060,000	
West Virginia:				
Belleville locks and dam, Ohio and West Virginia. (See Ohio.)				
Burnsville Reservoir (deferred)		35,000		65,000
East Lynn Reservoir		100,000		100,000
Hannibal locks and dam, Ohio and West Virginia. (See Ohio.)				
Opekiska lock and dam	6,000,000		6,000,000	
Pike Island locks and dam, Ohio and West Virginia. (See Ohio.)				
Racine locks and dam, Ohio and West Virginia. (See Ohio.)				
Summersville Reservoir	9,750,000		9,750,000	
Wisconsin:				
Ashland Harbor	340,000		340,000	

Duluth-Superior Harbor, Minn. and Wis. (See Minnesota.)	340,000	---	340,000	---
Eau Galle River	---	---	260,000	---
Green Bay Harbor (1945 modification)	---	---	---	---
Menominee Harbor (piers), Michigan and Wisconsin. (See Michigan.)	---	---	---	---
Milwaukee Harbor (breakwater)	300,000	---	300,000	---
Sheboygan Harbor (pier and breakwater)	320,000	---	320,000	---
Sturgeon Bay and Lake Michigan ship canal (re- vetments)	360,000	---	360,000	---
Wyoming:	---	---	---	---
Jackson Hole	430,000	---	430,000	---
Sheridan	600,000	---	600,000	---
Miscellaneous:	---	---	---	---
Emergency bank protection	200,000	---	200,000	---
Local protection projects not requiring specific legislation	3,000,000	---	3,000,000	---
Small navigation projects not requiring specific legislation (costing up to \$200,000)	1,500,000	---	1,500,000	---
Snagging and clearing	200,000	---	200,000	---
Projects deferred for restudy	---	(217,000)	---	(217,000)
Recreation facilities, completed projects	4,000,000	---	¹ 4,150,000	---
Small authorized projects	1,500,000	---	1,500,000	---
Fish and wildlife studies (U.S. Fish and Wildlife Service)	600,000	---	600,000	---
Minor rehabilitation projects (costing up to \$400,000)	2,500,000	---	2,500,000	---
Employees compensation	22,000	---	22,000	---
Reduction for anticipated savings and slippages	—60,000,000	---	—80,000,000	---
Grand total, construction, general	761,045,000	16,600,000	745,867,000	16,494,000
	777,645,000		762,361,000	

¹ Includes a total of \$500,000 for Denison Reservoir (Lake Texoma), Oklahoma and Texas.

REDUCTIONS RECOMMENDED

Oroville Reservoir, California.—The Committee has reduced the budget estimate of \$15,000,000 by \$1,000,000, providing an appropriation of \$14,000,000 as the Federal contribution to this California State project for the fiscal year 1963. The amount provided represents the Federal contribution for flood control storage in the project calculated at an interest rate of 2½ percent, the going Federal rate on long term investments. The budget proposal was to pay the cost of flood control storage with an interest rate of 3½ percent which represented a compromise on the cost of money to the State and the Federal going rate of interest. It was testified that the policy is now established that the Federal Government will in the future use the going Federal interest rate on partnership projects. Actually there has been no previous exception to this policy. The Committee sees no reason why an exception to the usual practice should be made in this particular case. The \$1,000,000 reduction represents the proportionate amount which can be saved in this fiscal year if the going rate of interest is used in calculating the Federal contribution. The total savings over the construction period of the project will be approximately \$4.6 million to the Federal Treasury, which the Committee intends to assure.

Black Rock Harbor, Connecticut.—The budget estimate of \$26,000 to begin advanced planning on this project has been disallowed. Testimony before the Committee at the time of the hearings indicates that there is no current evidence of local interest and necessary financial cooperation on this project.

Cross Florida Barge Canal.—The Committee has disallowed the budget estimate of \$205,000 for advanced planning and design on this project. It was authorized twenty years ago in July, 1942. Since then it has been studied on four separate occasions and has been reported to cost in total from \$44,000,000 in 1942 to \$145,300,000 in 1962. Until 1958, no benefit-cost ratios were calculated for it. In the 1958 study, the benefit-cost ratio appeared as 1.05 to 1 and the total cost was shown as \$164,600,000. In 1962 the benefit-cost ratio is shown as 1.2 and the total cost \$145,300,000. A consulting firm study in the fiscal year 1962 resulted in a benefit-cost ratio of 4.6 to 1. An opposition group contends it is only 0.13 to 1.

Testimony solicited by the Committee during the course of the hearings indicates that 80 percent of the claimed total benefits in the movement of commodities on completion of this canal would revert to the State of Florida and that its National significance is limited to 20 percent of the benefits. The project as presently proposed does not provide the claimed "safe" barge route from the Mississippi River-Gulf Intercoastal Waterway System to the Atlantic Coast Intercoastal Waterway System. The presently proposed western terminus is some eight miles out into the open Gulf with over a hundred miles of open sea to traverse before the eastern end of the Gulf Intercoastal Waterway is reached.

The Federal Government is currently improving intracoastal waterways on both coasts of Florida at a total cost of \$20,000,000. The construction of the Cross Florida Canal would obviously downgrade the economics on which these large Federal expenditures are justified.

Since the authorization of this project was 20 years ago and its

feasibility and economics are in the Committee's opinion questionable, it seems only appropriate that the legislative committees and the Congress should reaffirm its authorization before it is again presented to the Appropriations Committee for funding.

St. Anthony Falls extension, Minn.—The Committee has reduced the budget estimate of \$4,430,000 to \$4,000,000 on this project. The carryover unobligated balance and contingency calculations total \$615,000 which will be available during fiscal year 1963 over and above the budget estimate. It is believed that the modest reduction of \$430,000 will not disturb completion of project.

Tioga-Hammond Reservoir, Pennsylvania.—The Committee has disallowed the budget estimate of \$100,000 to initiate advanced planning on this project. There is substantial local opposition to the project and it is the Committee's opinion that the site should be re-evaluated in the comprehensive Susquehanna River basin review being funded under the General Investigations heading. Much of the opposition to the project stems from a fear that it will adversely affect industry and the economies of the county in which it is located.

Reduction to offset unobligated balances and slippages.—The Committee has further reduced the overall budget request for the construction, general program by \$20,000,000. The budget estimate of unobligated balances to be carried into fiscal year 1963 was \$11,005,000. This balance was actually in the neighborhood of \$35,000,000. The additional reduction of \$20,000,000 which the Committee is proposing is easily offset by the funds being carried into the new fiscal year and should not retard the progress of the overall program, particularly in view of the fact that three months of the fiscal year or more will have elapsed before fiscal year 1963 funds become available to the Corps.

OTHER ACTIONS AND RECOMMENDATIONS

Small Navigation Project Program.—Within the \$1,500,000 which has been allowed for this program, \$58,500 is to be used for the Barbour Cut, La Porte, Texas, project.

Holt Lock and Dam, Alabama.—In its report last year the Committee suggested that the Public Works Legislative Committees consider authorization for Federal construction of power facilities at this project. This recommendation was based on testimony by both the Corps of Engineers and Southeastern Power Administration that the power could be effectively used in the Southeastern Power Administration marketing area and is needed to meet expanding requirements of preference customers. The Committee would like to repeat its suggestion that the legislative committee consider this matter before the project gets too far into construction, and before a pending application for non-Federal construction of these facilities is acted upon by the Federal Power Commission.

Lower Monumental lock and dam.—Testimony before the Committee indicates that joint use of certain railroad lines in connection with construction of this project would save up to \$5,000,000 in project costs. The Corps of Engineers is urged to press for cooperation of the railroads involved in agreeing to make joint use of single lines instead of duplicating relocations wherever this is feasible. It seems appropriate to expect cooperation on the part of the railroads in this connection.

Tennessee-Tombigbee Waterway.—This project was not budgeted and the report on the restudy of it was received by the Committee after it had concluded its hearings with the Corps of Engineers. However, on the basis of testimony offered by non-Governmental witnesses, the Committee very carefully considered funding for the project in fiscal year 1963. It was decided to defer without prejudice action on this \$281,025,000 project until there has been an opportunity to go into all of the details concerning its justification with the Corps of Engineers.

Contributions on local protection projects.—In its report last year the Committee set up the policy of applying a requirement of 20 percent of total cost as the local contribution share on local protection projects. It was explained that the Committee expected to apply this standard to all planning starts as they became eligible for construction funds. In other words when the normal local cooperation requirements of rights-of-way relocations, and protection from damages have a cost equivalent of less than 20 percent of the project cost, the difference between this amount and the 20 percent would be contributed in work or cash. Testimony taken by the Committee this year indicates that this would impose an undue hardship on certain projects where local interests have made previous contributions by initially constructing their own protective works. In view of this the Committee intends to modify its position to the extent of permitting such prior investments to be included in calculating the 20 percent contribution. None of the funds for projects in the bill for the fiscal year 1963 which are affected by this policy has been deleted.

OPERATION AND MAINTENANCE, GENERAL

Appropriation, 1962	\$147, 297, 000
Estimate, 1963	143, 539, 000
Recommended, 1963	143, 539, 000
Comparison:	
Appropriation, 1962	—3, 758, 000
Estimate, 1963	

Navigation Projects Study.—Last year the Committee called for a report of findings with respect to a current study on the need for maintaining existing project depths on 372 minor harbors. It is understood that work is continuing on this review. It is urged that it be completed in time for presentation to the Committee before the hearings on the 1964 appropriation bill.

GENERAL EXPENSES

Appropriation, 1962	\$13, 148, 000
Estimate, 1963	13, 600, 000
Recommended, 1963	13, 580, 000
Comparison:	
Appropriation, 1962	+432, 000
Estimate, 1963	—20, 000

In making the reduction of \$20,000 the Committee has eliminated funds for personnel to be assigned to the preparation of a magazine

for general distribution. The Committee is not convinced of the need for such a publication in addition to the regular information releases now being made.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Appropriation, 1962-----	\$72, 950, 000
Estimate, 1963-----	70, 500, 000
Recommended, 1963-----	70, 500, 000
Comparison:	
Appropriation, 1962-----	-2, 450, 000
Estimate, 1963-----	

Yazoo Basin.—The Committee desires that the Corps of Engineers review further the various elements of the bridge project and the equity of reimbursements to counties in connection with the Sardis-Oxford Road.

The funds appropriated under this heading are distributed as shown in the table which follows:

Projects	Budget estimate fiscal year 1963		Allocation	
	Construction	Planning	Construction	Planning
1. General investigations:				
(a) Examinations and surveys-----	\$42, 500		\$42, 500	
(b) Collection and study of basic data-----	82, 500		82, 500	
Subtotal, general investigations-----	125, 000		125, 000	
2. Construction and planning:				
Mississippi River levees-----	\$2, 200, 000		\$2, 200, 000	
Channel improvement-----	25, 500, 000		25, 500, 000	
Memphis Harbor-----	800, 000		800, 000	
Greenville Harbor-----	1, 530, 000		1, 530, 000	
Old River control-----	4, 200, 000		4, 200, 000	
St. Francis Basin-----	3, 900, 000		3, 900, 000	
Lower White River-----	850, 000		850, 000	
Caehe River-----		\$100, 000		\$100, 000
West Tennessee tributaries-----	600, 000		600, 000	
Wolf River and tributaries-----	100, 000		100, 000	
Lower Arkansas-----	500, 000		500, 000	
Tensas Basin:				
Boeuf and Tensas Rivers, etc-----	1, 740, 000		1, 740, 000	
Red River backwater-----	35, 000		35, 000	

Yazoo ² Basin:				
Sardis Reservoir	30,000		30,000	
Enid Reservoir	53,000		53,000	
Arkabutla Reservoir	30,000		30,000	
Grenada Reservoir	37,000		37,000	
Greenwood	700,000		700,000	
Main stem	2,050,000		2,050,000	
Tributaries	660,000		660,000	
Big Sunflower River, etc	1,200,000		1,200,000	
Yazoo backwater	900,000		900,000	
Atchafalaya Basin	4,900,000		4,900,000	
Lake Pontchartrain	760,000		760,000	
Subtotal, construction and planning	53,275,000	100,000	53,275,000	100,000
Reduction for anticipated savings and slippages	-1,500,000		-1,500,000	
Total, construction and planning	51,775,000	100,000	51,775,000	100,000
3. Maintenance	18,500,000		18,500,000	
Grand total	70,500,000		70,500,000	

United States Section, St. Lawrence River

Joint Board of Engineers

Appropriation, 1962-----	\$20, 000
Estimate, 1963-----	20, 000
Recommended, 1963-----	20, 000
Comparison:	
Appropriation, 1962-----	
Estimate, 1963-----	

All expenditures under this appropriation are reimbursed to the Treasury by the power authority of the State of New York.

PANAMA CANAL

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

Appropriation, 1962-----	\$20, 800, 000
Estimate, 1963-----	22, 772, 000
Recommended, 1962-----	22, 772, 000
Comparison:	
Appropriation, 1962-----	+1, 972, 000
Estimate, 1963-----	

The increase above the 1962 appropriation provides principally for continuation of the program to eliminate differences between the United States pay rates and those in the Canal Zone area. This program was developed in coordination with all agencies concerned in the Canal Zone and provides for pay increases to employees paid at area rates to become effective over a period of three years. The first increase under the plan was granted in the fiscal year 1962.

Other increases are due principally to additional school enrollments, hospital and clinic staffing, and some additions to correct substandard maintenance levels.

Capital Outlay

Appropriation, 1962-----	\$2, 300, 000
Estimate, 1963-----	3, 120, 000
Recommended, 1963-----	3, 120, 000
Comparison:	
Appropriation, 1962-----	+820, 000
Estimate, 1963-----	

The principal projects making necessary the increase above 1962 involve the provision of additional classrooms for the educational program.

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Appropriation, 1962-----	\$6, 643, 000
Estimate, 1963-----	8, 400, 000
Recommended, 1963-----	7, 100, 000
Comparison:	
Appropriation, 1962-----	+457, 000
Estimate, 1963-----	-1, 300, 000

REDUCTIONS RECOMMENDED AND OTHER ACTIONS

Because of an unobligated balance from fiscal year 1962 in the amount of \$730,000, the effective increase above the 1962 appropriation is \$1,187,000. Of the amount provided \$435,000 is to cover activities previously funded under the General Administrative Expenses appropriation and up to \$300,000 is for use by the Secretary for functions he is required by law to perform under the provisions of section 5 of the Flood Control Act of 1944, on projects outside of the reclamation area.

The balance of the increase above the 1962 level is \$452,000 and is to be applied to the most urgent new investigations and increases for going investigations of high priority. In applying the reduction in the budget program, the Committee desires to make it clear that it does not intend to continuously increase the general level of this appropriation. Frequent and numerous program changes which continue to be made by the Bureau after the estimates have been submitted convey the impression that tight review and more effective controls on this program could result in the elimination of a number of investigations of low potential in favor of those which appear more likely to result in feasible projects.

The Committee approves the program readjustments proposed by the Bureau to align its activities in Alaska to fit the agreement between the Corps and the Bureau for that area.

Third Powerhouse—Grand Coulee Dam.—The Committee has allowed the \$160,000 budgeted for investigation of the third power plant at Grand Coulee Dam. The need for this power plant is related to successful conclusion of the treaty with Canada concerning the development of the Columbia River resources. Since the ratification of the treaty has been delayed by the Canadians, it is directed that such funds as are allowed for this investigation be utilized for making studies of the relative economics of adding additional generation units at this and other Federal hydroelectric plants in the Columbia River System. In connection with the Budget presentation for fiscal year 1964, the Committee will expect an economic comparison including the relative cost of additional transmission lines required for marketing the power from the additional units at the various Federal projects. It is expected that this study will be made in cooperation with the Corps of Engineers and the Bonneville Power Administration whose views and opinions would be pertinent with respect to the proper location for such additional generation as may be needed in the system to fully implement the provisions of the treaty with Canada.

GENERAL INVESTIGATIONS (SPECIAL FOREIGN CURRENCY PROGRAM)

The budget request of \$2,500,000 to initiate this program has again been disallowed. This is the third successive year which the Committee has refused to provide funds for it. As in the previous year, there was no change in the testimony before the Committee except for the elimination of certain projects. This testimony was to the effect that none of the research programs in foreign countries would result in findings that could not otherwise be arrived at in this country in the regular bureau engineering methods and materials research program. The Committee has examined in considerable detail this proposal for use

of foreign currency and while it does not oppose the general idea of making use of otherwise idle foreign currencies, it believes that there should be more productive results from the expenditure of such funds than appears evident in this particular program.

CONSTRUCTION AND REHABILITATION

Appropriation, 1962-----	\$152, 405, 500
Estimate, 1963-----	160, 625, 000
Recommended, 1963-----	153, 077, 000
Comparison:	
Appropriation, 1962-----	+671, 500
Estimate, 1963-----	-7, 548, 000

The funds appropriated under this heading are distributed to projects and activities as shown in the following table:

State and project	Budget estimate, fiscal year 1963 (as amended)		Allocation	
	Construction	Advance planning	Construction	Advance planning
Arizona:				
Colorado River front work and levee system	\$250, 000		\$250, 000	
Gila project	3, 000, 000		2, 000, 000	
California:				
Central Valley project	47, 401, 000		47, 401, 000	
Colorado River front work and levee system. (See Arizona.)				
Klamath project. (See Oregon.)				
Washoe project. (See Nevada.)				
Colorado: Trinidad project		\$9, 000		\$9, 000
Idaho:				
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation	519, 000		519, 000	
Spokane Valley project. (See Washington.)				
Kansas: Wichita project, Cheney division	7, 100, 000		7, 100, 000	
Nevada:				
Washoe project	198, 315		198, 315	
Washoe project, initial phase		500, 000		
Oklahoma: Norman project	7, 500, 000		7, 500, 000	

State and project	Budget estimate, fiscal year 1963 (as amended)		Allocation	
	Construction	Advance planning	Construction	Advance planning
Oregon:				
Klamath project-----	\$515, 000	-----	\$515, 000	-----
Rogue River Basin project, Talent division-----	439, 000	-----	439, 000	-----
The Dalles project, Western division-----	1, 025, 000	-----	1, 025, 000	-----
Vale project, Bully Creek extension-----	1, 765, 000	-----	1, 765, 000	-----
Texas:				
Canadian River project-----	10, 000, 000	-----	10, 000, 000	-----
Lower Rio Grande rehabilitation, La Feria division-----	1, 500, 000	-----	1, 500, 000	-----
Lower Rio Grande rehabilitation, Mercedes division-----	1, 940, 000	-----	1, 940, 000	-----
San Angelo project-----	2, 770, 000	-----	2, 770, 000	-----
Utah: Weber Basin project-----	10, 538, 000	-----	10, 538, 000	-----
Washington:				
Chief Joseph Dam project, Greater Wenatchee di- vision-----	2, 136, 000	-----	2, 136, 000	-----
Columbia Basin project-----	4, 569, 000	-----	4, 569, 000	-----
Spokane Valley project-----		\$121, 000		\$121, 000
Various:				
Drainage and minor construction program-----	3, 956, 054	-----	3, 956, 054	-----
Rehabilitation and betterment of existing projects-----	5, 346, 000	-----	5, 346, 000	-----
Subtotal, exclusive of Missouri River Basin proj- ect-----	112, 467, 369	630, 000	111, 467, 369	130, 000

MISSOURI RIVER BASIN PROJECT

PUBLIC WORKS APPROPRIATIONS, 1963

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Colorado:				
Narrows unit			75,000	75,000
North Republic unit. (See Nebraska.)				
Kansas:				
Almena unit	4,826,000			4,826,000
Cedar Bluff unit	906,000			906,000
Glen Elder unit	750,000			750,000
Kanopolis unit			180,000	180,000
Wilson unit			80,000	80,000
Montana:				
East Bench unit	5,620,000			5,620,000
Jefferson and Whitehall units			236,000	236,000
West Bench unit, Three Forks division			61,000	61,000
Yellowtail unit	12,150,000			12,150,000
Nebraska:				
Ainsworth unit	5,800,000			5,800,000
Cedar Rapids division			241,000	241,000
Farwell unit	6,800,000			6,800,000
Frenchman-Cambridge division	1,714,000			1,714,000
North Republic unit			26,000	26,000
North Dakota: Garrison diversion unit			100,000	100,000
South Dakota:				
Garrison diversion unit. (See North Dakota.)				
Joe Creek, Culesac, and Rosseau units			100,000	100,000
Oahe unit			150,000	150,000
Oahe unit, James section	220,000			220,000

State and project	Budget estimate, fiscal year 1963 (as amended)		Allocation	
	Construction	Advance planning	Construction	Advance planning
MISSOURI RIVER BASIN PROJECT—Continued				
Wyoming:				
Kaycee unit-----		\$35, 000	-----	\$35, 000
Yellowtail unit. (See Montana.)				
Various:				
Transmission division-----	\$14, 449, 000	-----	\$14, 229, 000	-----
Drainage and minor construction program-----	1, 795, 631	-----	1, 795, 631	-----
Subtotal, construction and advance planning (MRBP)-----	55, 030, 631	1, 284, 000	54, 810, 631	1, 284, 000
Investigations-----	1, 488, 000	-----	1, 000, 000	-----
Other department agencies-----	3, 240, 000	-----	2, 900, 000	-----
Total, Missouri River Basin project-----	59, 758, 631	1, 284, 000	58, 710, 631	1, 284, 000
Subtotal, construction and rehabilitation-----	174, 140, 000		171, 592, 000	
Undistributed reduction based on anticipated delays-----	—13, 515, 000		—18, 515, 000	
Total, construction and rehabilitation-----	160, 625, 000		153, 077, 000	

REDUCTIONS RECOMMENDED AND OTHER ACTIONS

Washoe Project, Nevada and California.—The Committee has disallowed the budget request of \$500,000 for advance planning for the irrigation features on this project. Water rights on the river involved are in the process of adjudication in the district courts. In addition, the states of Nevada and California will have to rule on applications to store and divert unappropriated waters of the Truckee and Carson Rivers before the project can be moved into the construction stage. The Committee sees no reason for proceeding with advanced planning until the litigation problems involved have been fully resolved.

Gila Project, Arizona.—The reduction of \$1,000,000 on this project was offered by the Bureau in view of the fact that the Yuma Irrigation District has requested that certain facilities for a drainage system be delayed until the feasibility of accomplishing the same objective with wells is studied.

Missouri River Basin Project, Transmission Division.—The Committee has recommended an appropriation of \$14,229,000, a reduction of \$220,000. This reduction was volunteered by the Bureau in testimony before the Committee. It deletes the funds programmed for Heart Mountain-Lowell-Yellowtail 115 kilovolt transmission line in the western sections of the Missouri River Basin. The line is no longer necessary because of arrangements subsequently made with the Pacific Power and Light Company in connection with the Colorado River Storage project power distribution.

Missouri River Basin Project, Investigations.—The Committee has reduced the budget estimate from \$1,488,000 to \$1,000,000. This is a general reduction to be allocated by the Bureau. The amount provided is an increase of \$120,000 above the 1962 appropriations. The Committee comments with respect to the overall General Investigations program are also pertinent to this program.

Missouri River Basin Project, Transfers to Other Agencies.—The Committee recommends an appropriation of \$2,900,000, a reduction of \$340,000 in the budget estimate of \$3,240,000. This minor reduction is made in order to hold the program of assistance by other agencies to the Bureau of Reclamation in the Missouri Basin at the 1962 level. This is in keeping with the General Investigations reduction discussed previously. None of the reduction is to be applied against the archeological investigations program.

Rehabilitation and Betterment Program.—The Committee is concerned with the size of the rehabilitation and betterment program and with the reasons that make it necessary to rehabilitate major projects, in many instances before the original payout period has terminated. Since adequate maintenance programs are reasonably to be expected on federally constructed projects, a number of questions can be raised as to why so many of them need rehabilitation work. Consequently the Committee intends to order a staff investigation

with respect to the rehabilitation work programed by the Bureau in recent years and as to why such rehabilitation work is necessary and should not be done by the water users themselves without Federal financial assistance.

Reduction to Offset Unobligated Balances and Slippages.—An estimated carryover of \$86,000 from fiscal year 1962 into fiscal year 1963 was projected in the budget for the construction and rehabilitation program of the department. The carryover was actually \$5,326,000 as of June 30, 1962. The Committee believes that the overall reduction of \$5,000,000 which it has made will be easily absorbed without disturbing progress of the program.

OPERATION AND MAINTENANCE

Appropriations, 1962-----	\$36, 189, 000
Estimate, 1963-----	38, 250, 000
Recommended, 1963-----	38, 150, 000
Comparison:	
Appropriation, 1962-----	+ 1, 961, 000
Estimate, 1963-----	- 100, 000

Colorado River Front work and Levee System.—A boundary line question between the states of Arizona and California must be resolved before certain channel work and maintenance can be completed in Cibola Valley Area of the Colorado River. The Committee received testimony at the time of the hearings to the effect that the California legislature has deferred action until the 1963 session. A total of \$717,400 was budgeted for work in this area in fiscal year 1963. At the time of the hearings the Bureau witnesses testified that \$400,000 to \$500,000 could probably be reprogrammed out of this item without disrupting what work could be accomplished after action of the California legislature. Consequently, a reduction of \$500,000 has been made in the item. In accordance with testimony concerning the urgent need for additional silt control below Imperial Dam on the Colorado River, the Committee directs that \$400,000 of the funds budgeted for Cibola Valley be used for the design and acquisition of a dredge to handle the problem. The net effect of the Committee's action is to reduce the total appropriation by \$100,000.

LOAN PROGRAM

Appropriation, 1962-----	\$13, 272, 600
Estimate, 1963-----	10, 173, 000
Recommended, 1963-----	10, 173, 000
Comparison:	
Appropriations, 1962-----	- 3, 099, 600
Estimates, 1963-----	

The funds appropriated under this heading provide for loans to non-federal organizations for construction and rehabilitation of distribution systems and for loans and grants to enable non-federal organizations to construct small irrigation projects. Repayments of these loans are

deposited in the reclamation fund. The funds provided for fiscal year 1963 are distributed to the following projects:

State and project	Budget estimate, fiscal year 1963 (as amended)	Allocation
California:		
Arvin-Edison Water District.....	\$750,000	\$750,000
Browns Valley Irrigation District...	562,997	562,997
Chowchilla Water District.....	600,000	600,000
Eastern Municipal Water District...	1,600,000	1,600,000
Feather Water District.....	800,000	800,000
Solano Irrigation District.....	2,319,750	2,319,750
South San Joaquin Irrigation District.....	587,100	587,100
South Sutter Water District.....	1,698,882	1,698,882
Hawaii: Molokai project.....	3,223,000	3,223,000
Oregon: Klamath Basin Improvement District.....	843,100	843,100
Texas: Donna Irrigation District.....	506,586	506,586
Utah:		
Hights Creek Irrigation Co.....	121,484	121,484
Weber Box-Elder Conservation District, project No. 2.....	806,000	806,000
Administration of loan program.....	123,981	123,981
Prior year funds available.....	-4,369,880	-4,369,880
Total, loan program.....	10,173,000	10,173,000

EMERGENCY FUND

Appropriation, 1962.....	\$1,000,000
Estimate, 1963.....	1,000,000
Recommended, 1963.....	1,000,000
Comparison:	
Appropriation, 1962.....	-----
Estimates, 1963.....	-----

Funds appropriated under this heading are used to assure continuous operation of irrigation and power systems in the event of droughts, canal-bank failures, generator failures, damage to transmission lines, or other emergencies.

UPPER COLORADO RIVER STORAGE PROJECT

Appropriation, 1962.....	\$55,468,000
Estimate, 1963.....	110,326,000
Recommended, 1963.....	106,508,000
Comparisons:	
Appropriations, 1962.....	+51,040,000
Estimates, 1963.....	-3,818,000

The funds recommended for projects and activities covered by this appropriation are distributed as follows:

State and project	Budget estimate, fiscal year 1963 (as amended)		Allocation	
	Construction	Advance planning	Construction	Advance planning
COLORADO RIVER STORAGE PROJECT				
Arizona: Glen Canyon unit-----	\$44, 924, 000	-----	\$44, 924, 000	-----
Colorado:				
Curecauti unit-----	10, 653, 000	-----	10, 653, 000	-----
Navajo unit-----	761, 000	-----	761, 000	-----
New Mexico: Navajo unit. (See Colorado.)				
Utah:				
Flaming Gorge unit-----	13, 622, 000	-----	13, 622, 000	-----
Glen Canyon unit. (See Arizona.)				
Wyoming: Flaming Gorge unit. (See Utah.)				
Transmission division-----	32, 600, 000	-----	32, 600, 000	-----
PARTICIPATING PROJECTS				
Colorado:				
Florida project-----	4, 086, 000	-----	4, 086, 000	-----
Silt project-----		\$386, 325		\$386, 325
San Juan-Chama project-----		550, 000		
Utah:				
Central Utah project, initial phase-----		747, 000		747, 000
Emery County project-----	1, 967, 000	-----	1, 967, 000	-----

Wyoming:			
Lyman project-----	28,375	28,375	28,375
Seedskaade-----	10,411,000	10,411,000	10,411,000
Drainage and minor construction program-----	502,000	502,000	502,000
Quality of water studies-----	71,300	71,300	71,300
Subtotal-----	119,526,000	119,526,000	119,526,000
Undistributed reduction based on anticipated delays-----	1,783,000	1,783,000	1,783,000
Total, Upper Colorado River Basin fund-----	106,326,000	106,326,000	106,326,000
RECREATIONAL AND FISH AND WILDLIFE FACILITIES			
National Park Service-----	3,090,000	3,090,000	3,090,000
Bureau of Sports Fisheries and Wildlife-----	910,000	910,000	910,000
Total, recreational and fish and wildlife-----	4,000,000	4,000,000	4,000,000
Total, upper Colorado River storage project-----	110,326,000	110,326,000	110,326,000
			106,508,000

REDUCTIONS RECOMMENDED

San Juan-Chama Project, Colorado and New Mexico.—An estimate of \$550,000 for advanced planning on the San Juan-Chama feature of the Colorado River Storage Project came to the Congress in the form of a budget amendment some time after the Committee had completed its hearings. The funds requested have been disallowed without prejudice to the project. It was impossible to hold hearings and to go into the merits of the project since the estimate was received so late. It seems inappropriate to recommend beginning advanced planning on a project with a total cost of \$84,500,000 without a careful examination of its economics and its merits in the regular hearing process.

Recreation Facilities.—An appropriation of \$2,322,000 is recommended for the recreation facilities on this project. This is a reduction of \$768,000 in the budget estimate of \$3,090,000. The reduction includes deletion of \$358,400 programmed for a visitor center at the Wahweap site on the Glen Canyon reservoir and a general reduction of 15% on the balance of the budget estimate. The Wahweap site is a recreation center planned on the reservoir some 15 miles from the dam site proper. Its principal purpose is for camping and water recreation on the reservoir. It is the Committee's understanding that a visitor center in the form of an overlook at the spectacular Glen Canyon Dam site is contemplated. This obviously would be the prime attraction for visitations to the project area and will provide an unique opportunity for a view of the project. There appears to be no reason for the expenditure of over a quarter of a million dollars for another visitor center at an area which is primarily adapted to camping, boating and fishing recreation. At this particular location the Committee would consider a scaled down version for a center to provide the essentials necessary for the proper administration of the area and distribution of information concerning the camping and recreational opportunities.

With respect to the 15% reduction, it must be pointed out that the total program for recreation with respect to this project is non-reimbursable and amounts to \$32,569,000. The Committee is convinced that this is an excessively high figure for providing the minimum basic facilities needed for recreation. It is also convinced that the funds programmed for some of the smaller, less spectacular features of the project will attract users from only the local communities. In anticipation of some willingness on the part of the states to participate to a larger extent in the development and management of such areas, the Committee intends to cut back the total expenditures wherever possible. It is convinced that a hard scrutiny of the plan as presented to date and more realistic appraisals of actual needs would permit the National Park Service to present a much more modest program. This will be expected in connection with the 1964 budget presentation.

Fish and Wildlife Facilities.—The Committee received testimony to the effect that in the acquisition of wildlife refuge areas on this project there has been contemplated the purchase and lease of certain State lands, in some cases to be turned back to the State for management as

portions of wildlife areas. The Committee sees no justification whatever for the purchase or lease of State owned land, and directs that none of the funds appropriated for the Colorado River Storage Project be used for this purpose. The total cost of fish and wildlife facilities is estimated at approximately \$11,000,000. The Committee will also expect a more modest presentation in this program next year.

Reduction offset by unobligated balance and slippages.—The Committee has applied a \$2,500,000 reduction in view of the fact that an actual carryover of \$2,563,000 from fiscal year 1962 is available for obligation in fiscal year 1963. The budget had projected no unobligated carryover into the new fiscal year. The general history of obligations and slippages on this project will support the fact that this reduction can be made without disturbing progress on any of the project elements.

GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1962.....	\$9, 430, 000
Estimate, 1963.....	9, 300, 000
Recommended, 1963.....	9, 300, 000
Comparison:	
Appropriation, 1962.....	— 130, 000
Estimate, 1963.....	

As a result of transferring activities with a total cost of \$435,000 from this item to the General Investigations heading the net effect of the Committee action in allowing the budget estimate is to provide an increase of approximately \$305,000 above fiscal year 1962.

The Committee is encouraged by the apparent effort to hold the number of employees in the entire Bureau at a steady level.

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION

Appropriation, 1962.....	\$20, 875, 000
Estimate, 1963.....	31, 900, 000
Recommended, 1963.....	29, 800, 000
Comparison:	
Appropriation, 1962.....	+ 8, 925, 000
Estimate, 1963.....	— 2, 100, 000

REDUCTIONS RECOMMENDED

The reduction below the budget estimate includes \$1,900,000 which is offset by an unanticipated additional unobligated balance carried into fiscal year 1963 from the prior year. The Committee has made a further reduction of \$200,000 in the request of \$500,000 for further studies of a Pacific Northwest-California high voltage interconnection. The use of the \$300,000 provided is to be controlled by the Secretary and restricted to additional preliminary engineering, reconnaissance surveys, economic analysis, and negotiations with both public and private utilities interested in a coordinated plan for power interchange between the two regions. No actual ground survey is to be undertaken.

In taking this action the Committee is recognizing the need for comprehensive legislation concerning regional preference on available

Federal power before moving into preconstruction or construction work. Such legislation is pending.

It is apparent from testimony to date that more specific negotiations and planning between the Federal Government and private and public utilities in the area affected must be accomplished if the Congress is to be assured that it is being presented with the most feasible and economical plan for construction and use of intertie facilities.

The amount provided should be adequate to permit the Department to participate in the development of a comprehensive plan in both Oregon and California which can be supported by all parties.

OPERATION AND MAINTENANCE

Appropriation, 1962-----	\$12, 205, 000
Estimate, 1963-----	12, 750, 000
Recommended, 1963-----	12, 713, 000
Comparisons:	
Appropriation, 1962-----	+508, 000
Estimate, 1963-----	-37, 000

The reduction of \$37,000 in the budget estimates was proposed by the Bonneville Power Administration and results from savings to be accomplished in rentals on a computer in lieu of which actual purchase is to be made with available funds under the construction heading.

SOUTHEASTERN POWER ADMINISTRATION

OPERATION AND MAINTENANCE

Appropriation, 1962-----	\$800, 000
Estimate, 1963-----	800, 000
Recommended, 1963-----	800, 000
Comparison:	
Appropriation, 1962-----	
Estimate, 1963-----	

The appropriation under this heading provides for system operation and maintenance, the payment of wheeling charges, and for the general administration of the power operations.

Revenues of the Southeastern power administration are expected to be \$20,700,000 in fiscal year 1963, an increase of \$3,200,000 over revenues in the fiscal year 1962.

SOUTHWESTERN POWER ADMINISTRATION

CONSTRUCTION

Appropriation, 1962-----	\$950, 000
Estimate, 1963-----	7, 210, 000
Recommended, 1963-----	7, 210, 000
Comparison:	
Appropriation, 1962-----	+6, 260, 000
Estimate, 1963-----	

The funds recommended under this heading provide for the construction of facilities started in former years and for added substation capacity, metering and communications equipment, and general plant equipment necessary in the operation of this Federal power system.

OPERATION AND MAINTENANCE

Appropriation, 1962-----	\$1, 310, 000
Estimate, 1963-----	1, 450, 000
Recommended, 1963-----	1, 450, 000
Comparison:	
Appropriation, 1962-----	+140, 000
Estimate, 1963-----	

This appropriation provides for the operation and maintenance of the power distribution system in the Southwest Power Administration area.

Revenues of the Southwest Power Administration are estimated to be \$13,177,000 for fiscal year 1963, an increase of approximately \$5,000,000 above receipts during the fiscal year 1962.

TITLE III—INDEPENDENT OFFICES

ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

Appropriation, 1962-----	\$2, 352, 001, 000
Estimate, 1963-----	2, 888, 588, 000
Recommended, 1963-----	2, 860, 974, 000
Comparison:	
Appropriation, 1962-----	+508, 973, 000
Estimate, 1963-----	-27, 614, 000

Funds provided under this heading are distributed as shown in the following table:

Operating expenses

Program	Budget estimate	Allocation	Reduction
Raw materials-----	\$500, 585, 000	\$497, 000, 000	—\$3, 585, 000
Special nuclear materials-----	537, 300, 000	534, 000, 000	—3, 300, 000
Weapons program-----	797, 010, 000	797, 010, 000	-----
Reactor development program---	503, 745, 000	495, 628, 000	—8, 117, 000
Physical research program-----	216, 000, 000	206, 000, 000	—10, 000, 000
Biology and medicine-----	71, 353, 000	71, 353, 000	-----
Training, education, and infor- mation-----	15, 165, 000	14, 815, 000	—350, 000
Isotopes development-----	7, 462, 000	7, 100, 000	—362, 000
Civilian application of nuclear explosives-----	10, 050, 000	9, 650, 000	—400, 000
Community program-----	9, 114, 000	9, 114, 000	-----
Program direction and adminis- tration-----	64, 111, 000	62, 611, 000	—1, 500, 000
Security investigations-----	6, 019, 000	6, 019, 000	-----
Other costs-----	4, 100, 000	4, 100, 000	-----
Selected resources-----	173, 274, 000	173, 274, 000	-----
Revenues received from non- Federal sources-----	—26, 700, 000	—26, 700, 000	-----
Total-----	2, 888, 588, 000	2, 860, 974, 000	—27, 614, 000

REDUCTIONS RECOMMENDED AND OTHER ACTIONS

Raw Materials.—The reduction of \$3,585,000 which the Committee has made in the request for this program is based on recent years' experience which shows considerable underruns in costs as compared with the estimates submitted in the budget presentation. This underrun amounted to \$24,000,000 in 1962. The committee believes that it can be reasonably anticipated that there will be an underrun of at least the magnitude of the reduction which has been made.

Special Nuclear Materials.—The reduction of \$3,300,000 in this program has been made on the basis of the same type of experience on underrun of costs as discussed above. The underrun in costs in this case have varied from \$7,000,000 to \$40,000,000 in the last three years. Again it is believed reasonable to anticipate that at least \$3,300,000 will be saved in this half-billion dollar program.

Reactor Development.—In applying a total reduction of \$8,117,000 to this program the Committee has reduced the amount for unsolicited proposals in the atomic electric power demonstration program from \$4,296,000 to \$1,296,000. In addition to the \$1,296,000 being provided for costs related to unsolicited proposals in 1963, there is available \$10,704,000 which can be used for obligations against future costs. The number of unsolicited proposals has been disappointing and estimates in the past few years have been over optimistic. There is nothing in the testimony taken by the Committee to encourage the belief that this situation has changed.

The total reduction also includes a \$3,417,000 decrease in the Advanced Space Power System portion of the Satellite and small power sources program. This provides a net amount of \$25,000,000 which is an increase of \$7,500,000 above the fiscal year 1962 appropriation. The Committee is concerned about the lack of specific agreement among the Air Force, NASA and the AEC with respect to responsibility for developing conversion equipment associated with the nuclear power units under development by the AEC. It believes that until there is an agreement in this area and until objectives are more clearly defined for the developmental work now being funded the amount provided is ample.

A further reduction of \$1,700,000 has been made in the general reactor technology program. In view of the numerous increases in the specific development programs under this heading, the Committee is convinced that there is no need to increase this generalized research program beyond the fiscal year 1962 level. The amount allowed is \$58,300,000.

The review of the Commission's reactor development program has been most difficult in the past two years by reason of the major changes in the subactivities from year to year. It is recognized that some regrouping or reclassification of subactivities under a program may be necessary if the budget justifications are to present meaningful projections of costs. The major reclassifications under the reactor development program, however, have prevented a ready comparison of prior year costs and budget estimates. The Committee will expect the budget estimates to be presented on the same basis from year to

year, hereafter, except for such changes as need to be made to make the presentation more meaningful.

Physical Research.—The \$206,000,000 which the Committee recommends for this program, while a reduction of \$10,000,000 in the budget estimate, is an increase of \$30,000,000 above the funds available in fiscal year 1962, and \$45,000,000 above the fiscal year 1961 level. The Committee recognizes the fact that as more sophisticated machines for use in the high energy physics field come into operation the annual cost in this particular program will probably increase. Of the increase proposed in the budget for 1963, \$17,234,000 is associated with the high energy physics work in order to make the best use of the large investments in machines and equipment in this program. The Committee directs that none of the decrease be applied to the high energy physics program.

With respect to the controlled thermonuclear programs the Committee desires that an early decision be made as to which of the five different concepts being explored are most promising. It is hoped that the Commission will soon be in a position to concentrate energies on the most likely of these concepts, which will permit savings in funding of the others.

The Committee is convinced that the funds made available in this program are not producing returns commensurate with the investment and insists that there be tighter controls on research contracts to assure that they are being effectively used. It is obvious that to expand this program to the extent of financing every scientist who may want to enter the field is impossible. It would appear reasonable that a tougher evaluation of the skills of the persons involved and their previous research contributions would reduce the number of contracts without seriously penalizing our progress in this important field. The Committee urges also that there be a tightening up in the process of selecting areas and subjects for research undertakings, with greater emphasis on the relative usefulness of the potential results.

Training, education and information.—The reduction of \$350,000 made by the Committee in this program is to be applied against the expenses of operating the International School at Argonne, Ill., and the Puerto Rico Nuclear Center. There appears little justification for the continually increasing cost of operation of these two schools. The amount provided is the same as that available during the previous fiscal year. The Committee believes that further increases, if necessary in operation of these schools, should come from other sources than the Federal Treasury.

Isotope development program.—While the Committee has reduced the budget estimate by \$362,000 for this program, the amount which it recommends is \$1,216,000 over the previous fiscal year level. Of the amount provided, a total of \$516,000 is to be applied to the program for the radiation of foods.

The Committee sees no reason for continually increasing the level of funding of this program in view of the amount of research being done by non-Governmental organizations in this field.

Civilian application of nuclear explosives.—The reduction of \$400,000 which the Committee has made in this item holds the program to the fiscal year 1962 level. It is the Committee's opinion that this reduction should be applied to the project "Chariot" and to the item of \$1,625,000 for experiment preparation.

Program direction and administration.—The total increase proposed in this program was \$3,480,000. The Committee is convinced that with careful management the increase of \$1,980,000 which is being allowed will be ample.

Equipment estimates.—The Committee believes that equipment estimates more properly should be included under the capital budget and appropriation. Early budgets of the Commission handled equipment in this manner, but with the requirement for authorization of construction projects equipment was covered under the operating appropriation, in the expectation that the capital budget would be handled separately from the operating budget. This has not proved to be necessary and both appropriations have been handled in the same bill. On the basis of this experience, the Committee believes that estimates for equipment should be included in the capital budget and will expect to receive the estimate for fiscal year 1964 on this basis.

PLANT ACQUISITION AND CONSTRUCTION

Appropriation, 1962.....	\$195, 360, 000
Estimate, 1963.....	332, 345, 000
Recommended, 1963.....	261, 845, 000
Comparison:	
Appropriation, 1962.....	+66, 485, 000
Estimate, 1963.....	—70, 500, 000

The Committee actions on items under this heading are reflected in the table which follows:

Plant acquisition and construction

Program	Budget estimate	Allocation	Reduction
Special nuclear materials.....	\$85, 605, 000	\$81, 605, 000	—\$4, 000, 000
Weapons program.....	56, 585, 000	51, 085, 000	—5, 500, 000
Reactor development program....	77, 950, 000	77, 450, 000	—500, 000
Physical research.....	132, 200, 000	71, 700, 000	—60, 500, 000
Other items.....	7, 505, 000	7, 505, 000	-----
Less unobligated balance brought forward.....	—27, 500, 000	—27, 500, 000	-----
Total.....	332, 345, 000	261, 845, 000	—70, 500, 000

REDUCTIONS RECOMMENDED

Special nuclear materials.—The reduction of \$4,000,000 which the Committee has made in the request for this program eliminates funds for emergency duty personnel shelters at AEC facilities sites. It is the Committee's opinion that Civil Defense facilities of this magnitude should not be undertaken without being fully integrated with any possible overall plans involving personnel engaged in other Federal activities in the same general vicinity and plans for protection of any civilian populations in the area. The Committee has no evidence that these considerations have been taken into account.

Weapons program.—The budget proposed an expenditure of \$10,000,000 for the construction of a new highway between Las Vegas, Nevada and joint AEC-NASA test site. Since that time the State has agreed to put up \$1,000,000 on the cost of this road under the Federal-aid highway program. The road will be of mutual advantage to the AEC and NASA, and the Committee believes that it is only appropriate that the cost of it be shared. The additional \$4,500,000 needed to complete this construction is to be taken from funds available to NASA. In this general connection the Committee will expect NASA to carry its full share of all costs involved in joint AEC-NASA programs.

Reactor Development Program.—The reduction of \$500,000 made in this item is against the estimate of \$1,500,000 for a new cafeteria at the Argonne National Laboratory in Illinois. It is the Committee's opinion that with close attention to economies in design and construction the \$1,000,000 provided should be sufficient for a purely service facility of this type.

Physical research.—The budget included a total of \$95,000,000 for full funding of the construction of the Stanford linear accelerator. The estimated obligations for 1963 are only \$35,000,000. The Committee sees no need for appropriating the \$60,000,000 balance ahead of the time of need for these funds.

The additional reduction of \$500,000 made in this item is to be applied against the yard facility at the University of California for which \$1,500,000 was budgeted. Again, the Committee is convinced that careful attention to economies in planning and construction will make it possible to obtain an adequate facility with the \$1,000,000 provided.

TENNESSEE VALLEY AUTHORITY

Appropriation, 1962	\$38, 203, 000
Estimate, 1963	35, 071, 000
Recommended, 1963	35, 071, 000
Comparison:	
Appropriation, 1962	—3, 132, 000
Estimate, 1963	

Within the budget estimate which has been allowed there is an item of \$2,500,000 for the tributary area development program in the Beech River area. The Committee directs that local contribution arrangements be made as nearly comparable as practicable to the re-

quirements placed on regular soil conservation service watershed treatment projects, particularly with respect to those contributions required in advance of Federal construction and other expenditures. It also directs that in the accomplishment of this program, nothing be done which would interfere with the regular soil conservation service program in the Tennessee Valley area. It expects full cooperation between the Soil Conservation Service and the TVA wherever their interests and abilities coincide in execution of the tributary area development projects.

DELAWARE RIVER BASIN COMMISSION

Appropriation, 1962-----	\$20, 000
Estimate, 1963-----	112, 000
Recommended, 1963-----	112, 000
Comparison:	
Appropriation, 1962-----	+ 92, 000
Budget, 1963-----	

Funds appropriated under this heading provide for the expenses of the United States Representative on the Commission and the Federal Government's proportionate share of its operating costs.

U.S. STUDY COMMISSION, SOUTHEAST RIVER BASINS

Appropriation, 1962-----	\$1, 380, 000
Estimate, 1963-----	552, 000
Recommended, 1963-----	552, 000
Comparison:	
Appropriation, 1962-----	- 828, 000
Estimate, 1963-----	

The funds provided under this heading will be adequate to complete the work of the Commission.

TITLE IV

GENERAL PROVISIONS

DEPARTMENTS, AGENCIES AND CORPORATIONS

This section of the bill carries provisions applicable to all appropriation bills for fiscal 1963. They are placed in this bill rather than repeating them in each separate bill and are the same as last year except for the deletion of three provisions no longer needed.

LIMITATIONS AND LEGISLATIVE PROVISIONS

The following limitations and legislative provisions not heretofore carried in connection with any appropriation bill are recommended:

On page 8, in connection with operating expenses, Canal Zone Government:

remodeling Army buildings, in the Canal Zone, for temporary use as school classrooms;

On page 10, in connection with general investigations, Bureau of Reclamation:

and other projects for which the Secretary may have power marketing responsibilities under section 5 of the Flood Control Act of 1944

On page 24, in connection with Plant Acquisition and Construction, Atomic Energy Commission:

Provided, That not to exceed \$4,500,000 of this appropriation for carrying out improvements on U.S. Highway 95, Nevada, as authorized in the Commission's 1963 authorization Act, may be transferred to the Bureau of Public Roads, Department of Commerce.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1962 AND THE ESTIMATES FOR 1963

PERMANENT INDEFINITE APPROPRIATIONS

	Appropriation estimate 1962	Appropriation estimate 1963	Increase (+), or decrease (-)
Department of the Army civil functions:			
Payments to States, Flood Control Act of 1954, Army-----	\$1, 717, 000	\$1, 805, 000	+\$88, 000
Corps of Engineers—Civil special expense funds-----	183, 000	195, 000	+12, 000
Total, Department of Army civil functions-----	1, 900, 000	2, 000, 000	+100, 000
Bureau of Reclamation:			
Colorado River Dam fund, Boulder Canyon project:			
Payment of interest on advances from the Treasury-----	3, 271, 000	3, 200, 000	-71, 000
Payments to States of Arizona and Nevada-----	600, 000	600, 000	-----
Construction of operation and maintenance headquarters and facilities, irrigation projects-----	107, 000	-----	-107, 000
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder Irrigation Districts)-----	3, 500	3, 500	-----
Payment to Farmer's Irrigation District (North Platte project, Nebraska-Wyoming)-----	8, 000	8, 000	-----
Refunds and returns-----	67, 000	100, 000	+33, 000
Total, Bureau of Reclamation-----	4, 056, 500	3, 911, 500	-145, 000
Total, permanent indefinite appropriations-----	5, 956, 500	5, 911, 500	-45, 000

COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1962 AND THE ESTIMATES AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1963

REGULAR ANNUAL APPROPRIATIONS

Item	Appropriations, 1962	Budget estimate, 1963 (as amended)	Recommended in the bill, 1963	Bill compared with—	
				Appropriations, 1962	Estimates, 1963
TITLE I—DEPARTMENT OF DEFENSE—CIVIL					
DEPARTMENT OF THE ARMY					
CEMETERIAL EXPENSES					
Salaries and expenses-----	\$10, 440, 000	\$10, 276, 000	\$10, 276, 000	—\$164, 000	-----
CORPS OF ENGINEERS—CIVIL					
General investigation-----	15, 877, 000	3 17, 265, 000	16, 561, 900	+ 684, 900	—\$703, 100
Construction, general-----	724, 021, 880	4 777, 645, 000	762, 361, 000	+38, 339, 120	—15, 284, 000
Operation and maintenance, general-----	1 147, 297, 000	143, 539, 000	143, 539, 000	—3, 758, 000	-----
General expenses-----	13, 148, 000	13, 600, 000	13, 580, 000	+432, 000	—20, 000
Flood control, Mississippi River and tributaries-----	72, 950, 000	70, 500, 000	70, 500, 000	—2, 450, 000	-----
U.S. Section, St. Lawrence River Joint Board of Engineers-----	20, 000	20, 000	20, 000	-----	-----
International navigation congresses-----	30, 000	-----	-----	—30, 000	-----
Total, rivers and harbors and flood control-----	973, 343, 880	1, 022, 569, 000	1, 006, 561, 900	+33, 218, 020	—16, 007, 100

See footnotes at end of table, p. 71.

Comparative statement of appropriations for 1962 and the estimates and amounts recommended in the bill for 1963—Con.

REGULAR ANNUAL APPROPRIATIONS—Continued

Item	Appropriations, 1962	Budget estimate, 1963 (as amended)	Recommended in the bill, 1963	Bill compared with—	
				Appropriations, 1962	Estimates, 1963
TITLE I—DEPARTMENT OF DEFENSE—CIVIL—Con.					
THE PANAMA CANAL					
Canal Zone Government:					
Operating expenses-----	\$20,800,000	^{4a} \$22,772,000	\$22,772,000	+\$1,972,000	-----
Capital outlay-----	2,300,000	3,120,000	3,120,000	+820,000	-----
Panama Canal Company: <i>Limitation on general administrative expenses</i> ² -----	(7,824,000)	(8,113,000)	(8,113,000)	(+289,000)	-----
Total, the Panama Canal-----	23,100,000	25,892,000	25,892,000	+2,792,000	-----
Total, title I-----	1,006,883,880	1,058,737,000	1,042,729,900	+35,846,020	-----
TITLE II—DEPARTMENT OF THE INTERIOR					
BUREAU OF RECLAMATION					
General investigations-----	6,643,000	8,400,000	7,100,000	+457,000	-----
General investigations (special foreign currency program)-----	-----	2,500,000	-----	-----	-----
Construction and rehabilitation-----	152,405,500	⁵ 160,625,000	153,077,000	+671,500	-----
Operation and maintenance-----	36,189,000	38,250,000	38,150,000	+1,961,000	-----
<i>Indefinite appropriation of receipts</i> ² -----	(3,320,000)	(3,543,000)	(3,543,000)	(+223,000)	-----

Loan program-----	13, 272, 600	* 10, 173, 000	10, 173, 000	-3, 099, 600	-----
Emergency fund-----	1, 000, 000	1, 000, 000	1, 000, 000	-----	-----
Upper Colorado River storage project-----	55, 468, 000	⁷ 110, 326, 000	106, 508, 000	+51, 040, 000	-3, 818, 000
General administrative expenses-----	9, 430, 000	9, 300, 000	9, 300, 000	-130, 000	-----
Total, Bureau of Reclamation-----	274, 408, 100	340, 574, 000	325, 308, 000	+50, 899, 900	-15, 266, 000
BONNEVILLE POWER ADMINISTRATION					
Construction-----	20, 875, 000	⁸ 31, 900, 000	29, 800, 000	+8, 925, 000	-2, 100, 000
Operation and maintenance-----	12, 205, 000	12, 750, 000	12, 713, 000	+508, 000	-37, 000
Total, Bonneville Power Administration-----	33, 080, 000	44, 650, 000	42, 513, 000	+9, 433, 000	-2, 137, 000
SOUTHEASTERN POWER ADMINISTRATION					
Operation and maintenance-----	800, 000	800, 000	800, 000	-----	-----
SOUTHWESTERN POWER ADMINISTRATION					
Construction-----	950, 000	7, 210, 000	7, 210, 000	+6, 260, 000	-----
Operation and maintenance-----	1, 310, 000	1, 450, 000	1, 450, 000	+140, 000	-----
Continuing fund (<i>indefinite appropriation of receipts</i>) ² -----	(5, 000, 000)	(5, 000, 000)	(5, 000, 000)	-----	-----
Total, Southwestern Power Administration-----	2, 260, 000	8, 660, 000	8, 660, 000	+6, 400, 000	-----
Total, definite appropriations-----	310, 548, 100	394, 684, 000	377, 281, 000	+66, 732, 900	-17, 403, 000
Total, indefinite appropriations-----	8, 320, 000	8, 543, 000	8, 543, 000	+223, 000	-----
Total, title II-----	318, 868, 100	403, 227, 000	385, 824, 000	+66, 955, 900	-17, 403, 000

See footnotes at end of table, p. 71.

Comparative statement of appropriations for 1962 and the estimates and amounts recommended in the bill for 1963—Con.

REGULAR ANNUAL APPROPRIATIONS—Continued

Item	Appropriations, 1962	Budget estimate, 1963 (as amended)	Recommended in the bill, 1963	Bill compared with—	
				Appropriations, 1962	Estimates, 1963
TITLE III—INDEPENDENT OFFICES					
ATOMIC ENERGY COMMISSION					
Operating expenses-----	\$2, 352, 001, 000	⁹ \$2, 888, 588, 000	\$2, 860, 974, 000	+\$508, 973, 000	—\$27, 614, 000
<i>Indefinite appropriation of receipts</i> ² -----	(27, 700, 000)	(26, 700, 000)	(26, 700, 000)	(—1, 000, 000)	-----
Plant acquisition and construction-----	195, 360, 000	¹⁰ 332, 345, 000	261, 845, 000	+66, 485, 000	—70, 500, 000
Total, Atomic Energy Commission-----	2, 547, 361, 000	3, 220, 933, 000	3, 122, 819, 000	+572, 458, 000	—98, 114, 000
St. Lawrence Seaway Development Corporation: <i>Limitation on administrative expenses</i> -----	(425, 000)	(425, 000)	(425, 000)	-----	-----
Tennessee Valley Authority-----	38, 203, 000	35, 071, 000	35, 071, 000	—3, 132, 000	-----
Delaware River Basin Commission:					
Salaries and expenses-----	-----	32, 000	32, 000	+32, 000	-----
Contribution to the Delaware River Basin Commission-----	¹¹ 20, 000	¹² 80, 000	80, 000	+60, 000	-----
Total, Delaware River Basin Commis- sion-----	20, 000	112, 000	112, 000	+92, 000	-----
U.S. Study Commission, Southeast River Basins--	1, 380, 000	552, 000	552, 000	—828, 000	-----

River Basin Study Commission for Texas-----	540, 000	(13)	(13)	-----
Total, definite appropriations-----	2, 587, 504, 000	3, 256, 668, 000	3, 158, 554, 000	-----
Total, indefinite appropriations-----	27, 700, 000	26, 700, 000	26, 700, 000	-----
Total, title III-----	2, 615, 204, 000	3, 283, 368, 000	3, 185, 254, 000	-----
Grand totals:				
Total, definite appropriations-----	3, 904, 935, 980	4, 710, 089, 000	4, 578, 564, 900	-----
Total, indefinite appropriations-----	36, 020, 000	35, 243, 000	35, 243, 000	-----
Grand total, all titles-----	3, 940, 955, 980	4, 745, 332, 000	4, 613, 807, 900	-----

¹ Includes \$5,000,000 in the Supplemental Appropriation Act, 1962, and \$3,900,000 in the 2d Supplemental Appropriation Act, 1962.

² Not included in subtotals within titles.

³ Includes increase of \$665,000 in H. Doc. 379.

⁴ Reflects decrease of \$930,000 in H. Doc. 379, and an increase of \$2,869,000 in H. Doc. 477.

^{4a} Includes increase of \$198,000 in H. Doc. 486.

⁵ Includes increase of \$750,000 in H. Doc. 422.

⁶ Includes budget amendment increases as follows: H. Doc. 388, \$600,000; H. Doc. 422, \$4,023,000; and H. Doc. 431, \$750,000.

⁷ Reflects decrease of \$6,884,000 in H. Doc. 422, and an increase of \$550,000 in H. Doc. 477.

⁸ Reflects decrease of \$3,000,000 in H. Doc. 388.

⁹ Reflects increase of \$164,500,000 in H. Doc. 409 and increase of \$23,300,000 in H. Doc. 467.

¹⁰ Reflects increase of \$46,300,000 in H. Doc. 409.

¹¹ Appropriated in 2d Supplemental Appropriation Act, 1962.

¹² Submitted in H. Doc. 393.

¹³ H. Doc. 393 and bill provide continuing availability of 1962 appropriation until Aug. 31, 1962.

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Union Calendar No. 927

87TH CONGRESS
2^D SESSION

H. R. 12900

[Report No. 2223]

IN THE HOUSE OF REPRESENTATIVES

AUGUST 14, 1962

Mr. CANNON, from the Committee on Appropriations, reported the following bill; which was committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
- 2 *tives of the United States of America in Congress assembled,*
- 3 That the following sums are appropriated, out of any money

1 in the Treasury not otherwise appropriated, for the fiscal
2 year ending June 30, 1963, for certain civil functions admin-
3 istrated by the Department of Defense, certain agencies of
4 the Department of the Interior, the Atomic Energy Com-
5 mission, the Saint Lawrence Seaway Development Corpora-
6 tion, the Tennessee Valley Authority and certain river basin
7 commissions, and for other purposes, namely:

8 TITLE I—DEPARTMENT OF DEFENSE—CIVIL

9 DEPARTMENT OF THE ARMY

10 CEMETERIAL EXPENSES

11 SALARIES AND EXPENSES

12 For necessary cemeterial expenses as authorized by law,
13 including maintenance, operation, and improvement of na-
14 tional cemeteries, and purchase of headstones and markers
15 for unmarked graves; purchase of one passenger motor ve-
16 hicle for replacement only; maintenance of that portion of
17 Congressional Cemetery to which the United States has title,
18 Confederate burial places under the jurisdiction of the De-
19 partment of the Army, and graves used by the Army in
20 commercial cemeteries; \$10,276,000: *Provided*, That this
21 appropriation shall not be used to repair more than
22 a single approach road to any national cemetery: *Pro-*
23 *vided further*, That this appropriation shall not be ob-
24 ligated for construction of a superintendent's lodge or family
25 quarters at a cost per unit in excess of \$17,000, but such

1 limitation may be increased by such additional amounts as
2 may be required to provide office space, public comfort
3 rooms, or space for the storage of Government property
4 within the same structure: *Provided further*, That reim-
5 bursement shall be made to the applicable military appro-
6 priation for the pay and allowances of any military person-
7 nel performing services primarily for the purposes of this
8 appropriation.

9 CORPS OF ENGINEERS—CIVIL

10 The following appropriations shall be expended under
11 the direction of the Secretary of the Army and the super-
12 vision of the Chief of Engineers for authorized civil func-
13 tions of the Department of the Army pertaining to rivers
14 and harbors, flood control, beach erosion, and related pur-
15 poses:

16 GENERAL INVESTIGATIONS

17 For expenses necessary for the collection and study of
18 basic information pertaining to river and harbor, flood con-
19 trol, shore protection, and related projects, and when author-
20 ized by law, surveys and studies (including cooperative
21 beach erosion studies as authorized in Public Law 520, ap-
22 proved July 3, 1930, as amended and supplemented), of
23 projects prior to authorization for construction, \$16,561,900,
24 to remain available until expended: *Provided*, That \$100,000
25 of this appropriation shall be transferred to the United States

1 Fish and Wildlife Service for studies, investigations, and
2 reports thereon as required by the Fish and Wildlife Coordi-
3 nation Act of 1958 (72 Stat. 563-565) to provide that
4 wildlife conservation shall receive equal consideration and
5 be coordinated with other features of water-resource develop-
6 ment programs of the Department of the Army.

7 CONSTRUCTION, GENERAL

8 For the prosecution of river and harbor, flood control,
9 shore protection, and related projects authorized by law;
10 and detailed studies, and plans and specifications, of projects
11 (including those for development with participation or under
12 consideration for participation by States, local governments,
13 or private groups) authorized or made eligible for selection
14 by law (but such studies shall not constitute a commitment
15 of the Government to construction) ; \$762,361,000, to re-
16 main available until expended: *Provided*, That no part of this
17 appropriation shall be used for projects not authorized by
18 law or which are authorized by law limiting the amount to
19 be appropriated therefor, except as may be within the limits
20 of the amount now or hereafter authorized to be appropri-
21 ated: *Provided further*, That none of the funds appropri-
22 ated for "Construction, General", in this Act shall be used
23 on the project "Missouri River, Kansas City to mouth",
24 for any purpose other than bank stabilization work: *Provided*
25 *further*, That \$600,000 of this appropriation shall be trans-

ferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; activities of the California Debris Commission; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; and rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; \$143,539,000, to remain available until expended.

1 GENERAL EXPENSES

2 For expenses necessary for general administration and
3 related functions in the Office of the Chief of Engineers and
4 offices of the Division Engineers; activities of the Board of
5 Engineers for Rivers and Harbors and the Beach Erosion
6 Board; commercial statistics; and miscellaneous investiga-
7 tions; \$13,580,000.

8 FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

9 For expenses necessary for prosecuting work of flood
10 control, and rescue work, repair, restoration, or maintenance
11 of flood control projects threatened or destroyed by flood,
12 as authorized by law (33 U.S.C. 702a, 702g-1),
13 \$70,500,000, to remain available until expended.

14 UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT

15 BOARD OF ENGINEERS

16 For necessary expenses of the United States section of
17 the Saint Lawrence River Joint Board of Engineers, estab-
18 lished by Executive Order 10500, dated November 4, 1953,
19 including services as authorized by section 15 of the Act of
20 August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100
21 per day for individuals; \$20,000: *Provided*, That no part of
22 these funds shall be obligated until agreement has been
23 entered into, by the United States Government and the
24 United States entity authorized to construct the power works
25 in the International Rapids section of the Saint Lawrence

1 River, providing for the reimbursement of the expenditures
2 of the United States section of this Board by the construction
3 entity.

4 ADMINISTRATIVE PROVISIONS

5 Appropriations in this title shall be available for ex-
6 penses of attendance by military personnel of meetings in
7 the manner authorized by section 19 (b) of the Act of July
8 7, 1958 (72 Stat. 336), uniforms, or allowances therefor,
9 as authorized by the Act of September 1, 1954, as amended
10 (5 U.S.C. 2131), and for printing, either during a recess
11 or session of Congress, of survey reports authorized by law,
12 and such survey reports as may be printed during a recess
13 of Congress shall be printed, with illustrations, as documents
14 of the next succeeding session of Congress; and during the
15 current fiscal year the revolving fund, Corps of Engineers,
16 shall be available for purchase (not to exceed two hun-
17 dred and sixteen, of which one hundred and ninety shall
18 be for replacement only) and hire of passenger motor
19 vehicles.

20 THE PANAMA CANAL

21 CANAL ZONE GOVERNMENT

22 OPERATING EXPENSES

23 For operating expenses necessary for the Canal Zone
24 Government, including operation of the Postal Service of the
25 Canal Zone; hire of passenger motor vehicles; uniforms or

1 allowances therefor, as authorized by the Act of September
2 1, 1954, as amended (5 U.S.C. 2131) ; expenses incident to
3 conducting hearings on the Isthmus; expenses of special
4 training of employees of the Canal Zone Government as
5 authorized by law (2 C.Z. Code, Sec. 85 as added by 63
6 Stat. 602; 5 U.S.C. 2301 et seq.) ; contingencies of the
7 Governor; residence for the Governor; medical aid and sup-
8 port of the insane and of lepers and aid and support of in-
9 digent persons legally within the Canal Zone, including ex-
10 penses of their deportation when practicable; remodeling
11 Army buildings, in the Canal Zone, for temporary use as
12 school classrooms; and payments of not to exceed \$50 in
13 any one case to persons within the Government service who
14 shall furnish blood for transfusions; \$22,772,000.

15 **CAPITAL OUTLAY**

16 For acquisition of land and land under water and ac-
17 quisition, construction, and replacement of improvements,
18 facilities, structures, and equipment, as authorized by law
19 (2 C.Z. Code, Sec. 3; 2 C.Z. Code, Sec. 16, as added by 63
20 Stat. 600) , including the purchase of not to exceed seven pas-
21 senger motor vehicles for replacement only for police-type use
22 without regard to the general purchase price limitation for
23 the current fiscal year; and expenses incident to the retire-
24 ment of such assets; \$3,120,000, to remain available
25 until expended: *Provided*, That notwithstanding the

1 limitation under this head in the Second Supplemental
2 Appropriation Act, 1961, appropriations for "capital outlay"
3 may be used for expenses related to the construction of
4 quarters for non-U.S. citizen employees at a unit cost not
5 exceeding \$16,500.

6 PANAMA CANAL COMPANY
7 CORPORATION

8 The Panama Canal Company is hereby authorized to
9 make such expenditures within the limits of funds and
10 borrowing authority available to it and in accord with law,
11 and to make such contracts and commitments without regard
12 to fiscal year limitations as provided by section 104 of the
13 Government Corporation Control Act, as amended (31
14 U.S.C. 849), as may be necessary in carrying out the pro-
15 grams set forth in the budget for the current fiscal year for
16 such corporation, except as hereinafter provided:

17 LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES,

18 PANAMA CANAL COMPANY

19 Not to exceed \$8,113,000 of the funds available to
20 the Panama Canal Company shall be available during the
21 current fiscal year for general and administrative expenses
22 of the Company, which shall be computed on an accrual
23 basis. Funds available to the Panama Canal Company
24 for operating expenses shall be available for the purchase

1 of not to exceed sixteen passenger motor vehicles for re-
2 placement only, and for uniforms or allowances therefor,
3 as authorized by the Act of September 1, 1954, as amended
4 (5 U.S.C. 2131).

5 GENERAL PROVISION—THE PANAMA CANAL

6 The Governor of the Canal Zone is authorized to employ
7 services as authorized by section 15 of the Act of August
8 2, 1946 (5 U.S.C. 55a), in an amount not exceeding
9 \$30,000: *Provided*, That the rates for individuals shall not
10 exceed \$100 per diem.

11 TITLE II—DEPARTMENT OF THE INTERIOR

12 BUREAU OF RECLAMATION

13 For carrying out the functions of the Bureau of Reclama-
14 tion as provided in the Federal reclamation laws (Act of
15 June 17, 1902, 32 Stat. 388, and Acts amendatory thereof
16 or supplementary thereto) and other Acts applicable to
17 that Bureau, as follows:

18 GENERAL INVESTIGATIONS

19 For engineering and economic investigations of pro-
20 posed Federal reclamation and other projects for which the
21 Secretary may have power marketing responsibilities under
22 section 5 of the Flood Control Act of 1944 and studies of
23 water conservation and development plans and activities pre-
24 liminary to the reconstruction, rehabilitation and betterment,
25 financial adjustment, or extension of existing projects, in-

cluding not to exceed \$350,000 for investigations of projects in Alaska, to remain available until expended, \$7,100,000, of which \$5,610,000 shall be derived from the reclamation fund and \$500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That \$290,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, \$153,077,000, of which \$75,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power

1 wheeling service contracts which include provision for
2 service to Federal establishments and preferred cus-
3 tomers, except those transmission facilities for which con-
4 struction funds have been heretofore appropriated, those
5 facilities which are necessary to carry out the terms of such
6 contracts or those facilities for which the Secretary of the
7 Interior finds the wheeling agency is unable or unwilling to
8 provide for the integration of Federal projects or for service
9 to a Federal establishment or preferred customer.

10 OPERATION AND MAINTENANCE

11 For operation and maintenance of reclamation projects
12 or parts thereof and of other facilities, as authorized by law;
13 and for a soil and moisture conservation program on lands
14 under the jurisdiction of the Bureau of Reclamation, pur-
15 suant to law, \$38,150,000, of which \$31,319,000 shall be
16 derived from the reclamation fund and \$1,481,000 shall be
17 derived from the Colorado River Dam fund: *Provided*, That
18 funds advanced for operation and maintenance of reclamation
19 projects or parts thereof shall be deposited to the credit of
20 this appropriation and may be expended for the same objects
21 and in the same manner as sums appropriated herein may be
22 expended, and the unexpended balances of such advances
23 shall be credited to the appropriation for the next succeeding
24 fiscal year.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-421d), and August 6, 1956 (43 U.S.C. 422a-422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, \$10,173,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), to remain available until expended for the purposes specified in said Act, \$1,000,000, to be derived from the reclamation fund.

UPPER COLORADO RIVER STORAGE PROJECT

For the Upper Colorado River Storage Project, as authorized by the Act of April 11, 1956 (43 U.S.C. 620d), to

1 remain available until expended, \$106,508,000, of which
2 \$103,276,000 shall be available for the "Upper Colorado
3 River Basin Fund" authorized by section 5 of said Act of
4 April 11, 1956, and \$3,232,000 shall be available for con-
5 struction of recreational and fish and wildlife facilities author-
6 ized by section 8 thereof, and may be expended by bureaus
7 of the Department through or in cooperation with State or
8 other Federal agencies, and advances to such Federal agen-
9 cies are hereby authorized: *Provided*, That no part of the
10 funds herein appropriated shall be available for construction
11 or operation of facilities to prevent waters of Lake Powell
12 from entering any National Monument.

13 GENERAL ADMINISTRATIVE EXPENSES

14 For necessary expenses of general administration and
15 related functions in the offices of the Commissioner of Recla-
16 mation and in the regional offices of the Bureau of Rec-
17 lamation, \$9,300,000, to be derived from the reclama-
18 tion fund and to be nonreimbursable pursuant to the
19 Act of April 19, 1945 (43 U.S.C. 377) : *Provided*, That no
20 part of any other appropriation in this Act shall be available
21 for activities or functions budgeted for the current fiscal year
22 as general administrative expenses.

23 SPECIAL FUNDS

24 Sums herein referred to as being derived from the recla-
25 mation fund, the Colorado River Dam fund, or the Colorado

1 River development fund, are appropriated from the special
2 funds in the Treasury created by the Act of June 17, 1902
3 (43 U.S.C. 391), the Act of December 21, 1928 (43
4 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C.
5 618a), respectively. Such sums shall be transferred, upon
6 request of the Secretary, to be merged with and expended
7 under the heads herein specified; and the unexpended
8 balances of sums transferred for expenditure under the
9 heads "Operation and Maintenance" and "General Adminis-
10 trative Expenses" shall revert and be credited to the special
11 fund from which derived.

12 ADMINISTRATIVE PROVISIONS

13 Appropriations to the Bureau of Reclamation shall be
14 available for purchase of not to exceed seventy-two
15 passenger motor vehicles for replacement only; pur-
16 chase of two aircraft for replacement only; payment of
17 claims for damage to or loss of property, personal injury,
18 or death arising out of activities of the Bureau of Reclama-
19 tion; payment, except as otherwise provided for, of com-
20 pensation and expense of persons on the rolls of the Bureau
21 of Reclamation appointed as authorized by law to represent
22 the United States in the negotiation and administration of
23 interstate compacts without reimbursement or return under
24 the reclamation laws; rewards for information or evidence

1 concerning violations of law involving property under the
2 jurisdiction of the Bureau of Reclamation; performance of
3 the functions specified under the head "Operation and
4 Maintenance Administration", Bureau of Reclamation, in
5 the Interior Department Appropriation Act, 1945; prepara-
6 tion and dissemination of useful information including re-
7 cordings, photographs, and photographic prints; and studies
8 of recreational uses of reservoir areas, and investigation and
9 recovery of archeological and paleontological remains in
10 such areas in the same manner as provided for in the Act of
11 August 21, 1935 (16 U.S.C. 461-467): *Provided*, That
12 no part of any appropriation made herein shall be available
13 pursuant to the Act of April 19, 1945 (43 U.S.C. 377),
14 for expenses other than those incurred on behalf of specific
15 reclamation projects except "General Administrative Ex-
16 penses" and amounts provided for reconnaissance, basin
17 surveys, and general engineering and research under the
18 head "General Investigations".

19 Allotments to the Missouri River Basin project from the
20 appropriation under the head "Construction and Rehabilita-
21 tion" shall be available additionally for said project for those
22 functions of the Bureau of Reclamation provided for under
23 the head "General Investigations" (but this authorization
24 shall not preclude use of the appropriation under said head
25 within that area), and for the continuation of investigations

1 by agencies of the Department on a general plan for the
2 development of the Missouri River Basin. Such allotments
3 may be expended through or in cooperation with State and
4 other Federal agencies, and advances to such agencies are
5 hereby authorized.

6 Sums appropriated herein which are expended in the
7 performance of reimbursable functions of the Bureau of
8 Reclamation shall be returnable to the extent and in the man-
9 ner provided by law.

10 No part of any appropriation for the Bureau of Reclama-
11 tion, contained in this Act or in any prior Act, which repre-
12 sents amounts earned under the terms of a contract but re-
13 maining unpaid, shall be obligated for any other purpose,
14 regardless of when such amounts are to be paid: *Provided*,
15 That the incurring of any obligation prohibited by this para-
16 graph shall be deemed a violation of section 3679 of the
17 Revised Statutes, as amended (31 U.S.C. 665).

18 No funds appropriated to the Bureau of Reclamation for
19 operation and maintenance, except those derived from ad-
20 vances by water users, shall be used for the particular benefit
21 of lands (a) within the boundaries of an irrigation district,
22 (b) of any member of a water users' organization, or (c)
23 of any individual, when such district, organization, or in-
24 dividual is in arrears for more than twelve months in the pay-

1 ment of charges due under a contract entered into with the
2 United States pursuant to laws administered by the Bureau
3 of Reclamation.

4 Not to exceed \$225,000 may be expended from the ap-
5 propriation "Construction and rehabilitation" for work by
6 force account on any one project or Missouri Basin unit and
7 then only when such work is unsuitable for contract or no
8 acceptable bid has been received and, other than otherwise
9 provided in this paragraph or as may be necessary to meet
10 local emergencies, not to exceed 12 per centum of the con-
11 struction allotment for any project from the appropriation
12 "Construction and rehabilitation" contained in this Act shall
13 be available for construction work by force account: *Pro-*
14 *vided*, That this paragraph shall not apply to work performed
15 under the Rehabilitation and Betterment Act of 1949 (63
16 Stat. 724) .

17 BONNEVILLE POWER ADMINISTRATION

18 CONSTRUCTION

19 For construction and acquisition of transmission lines,
20 substations, and appurtenant facilities, as authorized by law,
21 and purchase of one aircraft, \$29,800,000, to remain avail-
22 able until expended.

1 OPERATION AND MAINTENANCE

2 For necessary expenses of operation and maintenance of
3 the Bonneville transmission system and of marketing electric
4 power and energy, \$12,713,000.

5 ADMINISTRATIVE PROVISIONS

6 Appropriations of the Bonneville Power Administra-
7 tion shall be available to carry out all the duties imposed
8 upon the Administrator pursuant to law. Appropriations
9 made herein to the Bonneville Power Administration shall be
10 available in one fund, except that the appropriation herein
11 made for operation and maintenance shall be available only
12 for the service of the current fiscal year.

13 Other than as may be necessary to meet local emer-
14 gencies, not to exceed 12 per centum of the appropriation for
15 construction herein made for the Bonneville Power Adminis-
16 tration shall be available for construction work by force
17 account or on a hired-labor basis.

18 SOUTHEASTERN POWER ADMINISTRATION

19 OPERATION AND MAINTENANCE

20 For necessary expenses of operation and maintenance of
21 power transmission facilities and of marketing electric power
22 and energy pursuant to the provisions of section 5 of the

1 Flood Control Act of 1944 (16 U.S.C. 825s) , as applied to
2 the southeastern power area, \$800,000 including purchase of
3 two passenger motor vehicles of which one is for replace-
4 ment only.

5 SOUTHWESTERN POWER ADMINISTRATION

6 CONSTRUCTION

7 For construction and acquisition of transmission lines,
8 substations, and appurtenant facilities, and for administrative
9 expenses connected therewith, in carrying out the provisions
10 of section 5 of the Flood Control Act of 1944 (16 U.S.C.
11 825s) , as applied to the southwestern power area, \$7,210,-
12 000, to remain available until expended.

13 OPERATION AND MAINTENANCE

14 For necessary expenses of operation and maintenance
15 of power transmission facilities of marketing electric power
16 and energy pursuant to the provisions of section 5 of the
17 Flood Control Act of 1944 (16 U.S.C. 825s) , as applied to
18 the southwestern power area, including purchase of not to
19 exceed four passenger motor vehicles for replacement only,
20 \$1,450,000.

21 CONTINUING FUND

22 Not to exceed \$5,000,000 shall be available during the
23 current fiscal year from the continuing fund for all costs in
24 connection with the purchase of electric power and energy,
25 and rentals for the use of transmission facilities.

1 GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

2 SEC. 201. Appropriations in this title shall be available
3 for expenditure or transfer (within each bureau or office),
4 with the approval of the Secretary, for the emergency recon-
5 struction, replacement or repair of aircraft, buildings, utili-
6 ties, or other facilities or equipment damaged or destroyed
7 by fire, flood, storm, or other unavoidable causes: *Provided*,
8 That no funds shall be made available under this authority
9 until funds specifically made available to the Department of
10 the Interior for emergencies shall have been exhausted.

11 SEC. 202. The Secretary may authorize the expenditure
12 or transfer (within each bureau or office) of any appropria-
13 tion in this title, in addition to the amounts included in the
14 budget programs of the several agencies, for the suppression
15 or emergency prevention of forest or range fires on or threat-
16 ening lands under jurisdiction of the Department of the In-
17 terior.

18 SEC. 203. Appropriations in this title shall be available
19 for operation of warehouses, garages, shops, and similar facil-
20 ities, wherever consolidation of activities will contribute
21 to efficiency or economy, and said appropriations shall be
22 reimbursed for services rendered to any other activity in the
23 same manner as authorized by the Act of June 30, 1932
24 (31 U.S.C. 686): *Provided*, That reimbursements for cost
25 of supplies, materials and equipment, and for services ren-

1 dered may be credited to the appropriation current at the
2 time such reimbursements are received.

3 SEC. 204. No part of any funds made available by this
4 Act to the Southwestern Power Administration may be made
5 available to any other agency, bureau, or office for any pur-
6 poses other than for services rendered pursuant to law to
7 the Southwestern Power Administration.

8 TITLE III—INDEPENDENT OFFICES

9 ATOMIC ENERGY COMMISSION

10 OPERATING EXPENSES

11 For necessary operating expenses of the Commission in
12 carrying out the purposes of the Atomic Energy Act of 1954,
13 as amended, including the employment of aliens; services
14 authorized by section 15 of the Act of August 2, 1946 (5
15 U.S.C. 55a) ; purchase of equipment; purchase, mainte-
16 nance, and operation of aircraft; publication and dissemination
17 of atomic information; purchase, repair, and cleaning of
18 uniforms; official entertainment expenses (not to exceed
19 \$30,000) ; reimbursement of the General Services Admin-
20 istration for security guard services; purchase (not to exceed
21 seven hundred and forty, of which four hundred and ten
22 are for replacement only) and hire of passenger motor
23 vehicles: \$2,860,974,000, and any moneys (except sums
24 received from disposal of property under the Atomic
25 Energy Community Act of 1955 (42 U.S.C. 2301))
26 received by the Commission, notwithstanding the pro-

visions of section 3617 of the Revised Statutes (31 U.S.C. 484), to remain available until expended: *Provided*, That of such amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum.

PLANT ACQUISITION AND CONSTRUCTION

For expenses of the Commission, as authorized by law, in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying

1 out the purposes of the Atomic Energy Act of 1954, as
2 amended, including the acquisition or condemnation of any
3 real property or any facility or for plant or facility acqui-
4 sition, construction, or expansion; and hire of passenger motor
5 vehicles; \$261,845,000, to remain available until expended:
6 *Provided*, That not to exceed \$4,500,000 of this appropria-
7 tion for carrying out improvements on U.S. Highway 95,
8 Nevada, as authorized in the Commission's 1963 authoriza-
9 tion Act, may be transferred to the Bureau of Public Roads,
10 Department of Commerce.

11 GENERAL PROVISIONS

12 Any appropriation available under this or any other Act
13 to the Atomic Energy Commission may initially be used
14 subject to limitations in this Act during the fiscal year
15 1963 to finance the procurement of materials, services,
16 or other costs which are a part of work or activities for
17 which funds have been provided in any other appropria-
18 tion available to the Commission: *Provided*, That appropri-
19 ate transfers or adjustments between such appropriations
20 shall subsequently be made for such costs on the basis of
21 actual application determined in accordance with generally
22 accepted accounting principles.

23 Not to exceed 5 per centum of appropriations made
24 available for the fiscal year 1963 for "Operating expenses"
25 and "Plant acquisition and construction" may be trans-

1 ferred between such appropriations, but neither such ap-
2 propriation, except as otherwise provided herein, shall be
3 increased by more than 5 per centum by any such transfers,
4 and any such transfers shall be reported promptly to the
5 Appropriations Committees of the House and Senate.

6 No part of any appropriation herein shall be used to
7 confer a fellowship on any person who advocates or who is
8 a member of an organization or party that advocates the
9 overthrow of the Government of the United States by force
10 or violence or with respect to whom the Commission finds,
11 upon investigation and report by the Civil Service Commis-
12 sion on the character, associations, and loyalty of whom, that
13 reasonable grounds exist for belief that such person is disloyal
14 to the Government of the United States: *Provided*, That any
15 person who advocates or who is a member of an organization
16 or party that advocates the overthrow of the Government of
17 the United States by force or violence and accepts employ-
18 ment or a fellowship the salary, wages, stipend, grant, or
19 expenses for which are paid from any appropriation con-
20 tained herein shall be guilty of a felony and, upon conviction,
21 shall be fined not more than \$1,000 or imprisoned for not
22 more than one year, or both: *Provided further*, That the
23 above penal clause shall be in addition to, and not in substitu-
24 tion for, any other provisions of existing law.

1 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

2 The Saint Lawrence Seaway Development Corporation
3 is hereby authorized to make such expenditures, within the
4 limits of funds and borrowing authority available to such
5 Corporation, and in accord with law, and to make such con-
6 tracts and commitments without regard to fiscal year limita-
7 tions as provided by section 104 of the Government Cor-
8 poration Control Act, as amended, as may be necessary in
9 carrying out the programs set forth in the budget for the
10 current fiscal year for such Corporation, except as herein-
11 after provided:

12 LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAW-
13 RENCE SEAWAY DEVELOPMENT CORPORATION

14 Not to exceed \$425,000 shall be available for adminis-
15 trative expenses which shall be computed on an accrual basis,
16 including not to exceed \$2,000 for official entertainment ex-
17 penses to be expended upon the approval or authority of the
18 Administrator, purchase of one passenger motor vehicle for
19 replacement only, uniforms or allowances therefor for opera-
20 tion and maintenance personnel, as authorized by law (5
21 U.S.C. 2131, and services as authorized by section 15 of
22 the Act of August 2, 1946 (5 U.S.C. 55a), at rates for in-
23 dividuals not to exceed \$100 per day: *Provided*, That not to
24 exceed \$5,000 may be expended for services of individuals
25 employed at rates in excess of \$50 per day.

TENNESSEE VALLEY AUTHORITY

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed one hundred and fifty for replacement only) and hire of passenger motor vehicles, \$35,071,000, to remain available until expended.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), \$32,000.

CONTRIBUTION TO THE DELAWARE RIVER BASIN

COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), \$80,000.

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act approved August 28, 1958 (72 Stat. 1090), including services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), \$552,000 to remain available until December 31, 1962.

U.S. STUDY COMMISSION—TEXAS

SALARIES AND EXPENSES

The appropriation granted under this head in the Public Works Appropriation Act, 1962, shall remain available until August 31, 1962.

TITLE IV—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 401. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$1,500 except station wagons for which the maximum shall be \$1,950.

SEC. 402. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the

1 United States prior to such date, (3) is a person who owes
2 allegiance to the United States, or (4) is an alien from
3 Poland or the Baltic countries lawfully admitted to the
4 United States for permanent residence: *Provided*, That for
5 the purpose of this section, an affidavit signed by any such
6 person shall be considered prima facie evidence that the
7 requirements of this section with respect to his status have
8 been complied with: *Provided further*, That any person
9 making a false affidavit shall be guilty of a felony and, upon
10 conviction, shall be fined not more than \$4,000 or imprisoned
11 for not more than one year, or both: *Provided further*, That
12 the above penal clause shall be in addition to, and not in
13 substitution for, any other provisions of existing law: *Pro-*
14 *vided further*, That any payment made to any officer or
15 employee contrary to the provisions of this section shall be
16 recoverable in action by the Federal Government. This
17 section shall not apply to citizens of the Republic of the
18 Philippines or to nationals of those countries allied with the
19 United States in the current defense effort, or to temporary
20 employment of translators, or to temporary employment in
21 the field service (not to exceed sixty days) as a result of
22 emergencies.

23 SEC. 403. Appropriations of the executive departments
24 and independent establishments for the current fiscal year,
25 available for expenses of travel or for the expenses of the

1 activity concerned, are hereby made available for quarters
2 allowances and cost-of-living allowances, in accordance with
3 title II of the Act of September 6, 1960 (74 Stat. 793).

4 SEC. 404. No part of any appropriation for the current
5 fiscal year contained in this or any other Act shall be paid
6 to any person for the filling of any position for which he or
7 she has been nominated after the Senate has voted not to
8 approve the nomination of said person.

9 SEC. 405. No part of any appropriation contained in
10 this or any other Act for the current fiscal year shall be used
11 to pay in excess of \$4 per volume for the current and future
12 volumes of the United States Code Annotated, and such
13 volumes shall be purchased on condition and with the under-
14 standing that latest published cumulative annual pocket parts
15 issued prior to the date of purchase shall be furnished free of
16 charge, or in excess of \$4.25 per volume for the current
17 or future volumes of the Lifetime Federal Digest, or in ex-
18 cess of \$6.50 per volume for the current or future volumes
19 of the Modern Federal Practice Digest.

20 SEC. 406. Funds made available by this or any other
21 Act for administrative expenses in the current fiscal year
22 of the corporations and agencies subject to the Government
23 Corporation Control Act, as amended (31 U.S.C. 841),
24 shall be available, in addition to objects for which such funds
25 are otherwise available, for rent in the District of Columbia;

1 services in accordance with section 15 of the Act of August 2,
2 1946 (5 U.S.C. 55a) ; and the objects specified under this
3 head, all the provisions of which shall be applicable to the
4 expenditure of such funds unless otherwise specified in the
5 Act by which they are made available: *Provided*, That in
6 the event any functions budgeted as administrative expenses
7 are subsequently transferred to or paid from other funds.
8 the limitations on administrative expenses shall be corre-
9 spondingly reduced.

10 SEC. 407. Pursuant to section 1415 of the Act of July
11 15, 1952 (66 Stat. 662), foreign credits (including cur-
12 rencies) owed to or owned by the United States may be used
13 by Federal agencies for any purpose for which appropria-
14 tions are made for the current fiscal year (including the
15 carrying out of Acts requiring or authorizing the use of such
16 credits), only when reimbursement therefor is made to the
17 Treasury from applicable appropriations of the agency con-
18 cerned: *Provided*, That such credits received as exchange
19 allowances or proceeds of sales of personal property may be
20 used in whole or part payment for acquisition of similar items,
21 to the extent and in the manner authorized by law, without
22 reimbursement to the Treasury.

23 This Act may be cited as the "Public Works Appro-
24 priation Act, 1963".

87TH CONGRESS
2^D SESSION

H. R. 12900

[Report No. 2223]

A BILL

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

By Mr. CANNON

AUGUST 14, 1962

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued August 17, 1962
For actions of August 16, 1962
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HIGHLIGHTS: Sen. Mansfield announced that farm bill will be considered after satellite bill. Sen. Keating opposed consideration of farm bill. Sen. McCarthy submitted amendment to include dairy program in farm bill. Rep. Roudebush defended Commercial Solvents Corp. role in Estes case. House passed public works appropriation bill. House Rules Committee cleared bill to provide additional research facilities for experiment stations. House committee reported bill to extend International Wheat Agreement. House subcommittee voted to report USDA administrative omnibus bill and Guam agricultural services bill.

HOUSE

1. APPROPRIATIONS. Passed without amendment H. R. 12900, the public works appropriation bill for 1963 (pp. 15692-721). This bill includes various general provisions, applying to the Government generally, relating to prices of vehicles, alien employment, living quarters allowances in foreign countries, etc. These general provisions are the same as for the current year except for the deletion of provisions (1) prohibiting Government corporations from constructing office buildings which were not specifically authorized by law; (2) permitting foreign credits to be used in certain cases to make or carry out contracts and agreements in excess of one year; and (3) prohibiting the use of appropriations to Federal agencies for publicity or propaganda purposes designed to support or defeat legislation pending before Congress. This bill includes items for civil functions of the Department of Defense, Bureau of Reclamation and power producing agencies of the Department of the Interior, Atomic Energy Commission, St. Lawrence Seaway Development Corporation, Tennessee Valley Authority, Delaware River Basin Commission, and study commissions for the Southeast River Basins and the Texas River Basins.

The committee report includes the following statements:

"Meramec River Basin Study.---The Soil Conservation Service is undertaking a study in this river basin which will make use of the resources and talents of the various agencies of the Department of Agriculture including the Soil Conservation Service, the Economic Research Service, the Farmers Home Administration and the Forest Service. In the report on the 1963 Agricultural Appropriation Bill the Soil Conservation Service is directed to coordinate fully in this undertaking with the work of the Corps of Engineers and other Federal, State and local and private agencies in order to develop a comprehensive plan which will give full recognition to all economic potentialities as well as economic interests in the basin. The Committee directs that this be made a completely reciprocal effort and that the Corps in their current study bring these other agencies into full collaboration before presenting a survey report on the basin to the Congress."

"Tennessee Valley Authority"

"Within the budget estimate which has been allowed there is an item of \$2,500,000 for the tributary area development program in the Beech River area. The Committee directs that local contribution arrangements be made as nearly comparable as practicable to the requirements placed on regular soil conservation service watershed treatment projects, particularly with respect to those contributions required in advance of Federal construction and other expenditure. It also directs that in the accomplishment of this program, nothing be done which would interfere with the regular soil conservation service program in the Tennessee Valley area. It expects full cooperation between the Soil Conservation Service and the TVA wherever their interests and abilities coincide in execution of the tributary area development projects."

2. FARM PROGRAM. Rep. Roudebush defended the role of the Commercial Solvents Corp. in the Estes case and inserted a number of editorials commending the company. pp. 15754-7

3. PERSONNEL. Rep. Olsen discussed H. R. 9531, the so-called Morrison pay bill, and said it "is essentially an administration bill." pp. 15757-9

The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 2079, to amend the Classification Act of 1949 so as to authorize the establishment of hazardous-duty pay in certain cases; H. R. 3258, to allow credit under the Civil Service Retirement Act to Federal employees for certain service in Federal-State cooperative programs in a State; H. R. 10539, to amend the Federal Employees Health Benefits Act of 1959 so as to provide additional choice of health benefits plans; and H. R. 5698, to extend the Civil Service apportionment requirement to temporary summer employment. p. D739

4. RECLAMATION. The Interior and Insular Affairs Committee reported the following bills: without amendment, S. 1023, to provide for the construction, operation, and maintenance of additional features of the Talent division of the Rogue River Basin reclamation project, Ore. (H. Rept. 2236); with amendment, S. 1060, to authorize the Secretary of Interior to construct, operate, and maintain the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. (H. Rept. 2237); and with amendment, H. R. 7811, to amend the Act authorizing the Crooked River Federal reclamation project so as to provide for the irrigation of additional lands (H. Rept. 2238). p. 15760

5. ELECTRIFICATION. The Interstate and Foreign Commerce Committee reported without amendment S. 1606, to authorize the Federal Power Commission to exempt small hydroelectric projects from certain of the licensing provisions of the Federal Power Act (H. Rept. 2241). p. 15760

House of Representatives

THURSDAY, AUGUST 16, 1962

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Psalm 36: 7: *How excellent is Thy loving-kindness, O God; therefore the children of men put their trust under the shadow of Thy wings.*

O God of all grace, Thou knowest how greatly we need a more vivid sense of Thy living presence to keep our minds and hearts aglow with the light of Thy divine wisdom and love.

We humbly acknowledge that we are frequently confused and confounded by conditions and circumstances which are so very dark and difficult.

Grant that Thou wilt manifest Thy loving-kindness to all whose days and nights are a litany of doubt and despondency and show us how we may kindle within them the spirit of heroic faith and hope as they look and wait wistfully for the dawning of a better day.

Hear us in His name who is our shield and shelter both now and forever. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

THE REPUBLIC OF CYPRUS—ITS INDEPENDENCE DAY

(Mr. RYAN of New York asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. RYAN of New York. Mr. Speaker, the small island of Cyprus in the eastern Mediterranean is one of the oldest inhabited islands in the ancient world. Today it is one of the newest independent and sovereign states in the Middle East.

In ancient and medieval times the clever and enterprising seafaring Greek merchants of the island had enjoyed a considerable measure of freedom. In early modern times, when they became subjects of Ottoman sultans, they lost much of their freedom. In the course of some 300 years of Turkish rule tens of thousands of Turks settled in Cyprus, who since the turn of this century have constituted about one-fourth of its 560,000 inhabitants. Late in the 19th century Cyprus became a British protectorate. They longed for their independence. In August 1960, the Greek and Turkish Cypriots finally, after years of bitter strife, agreed to live together on the island in peace, and with that understanding, Britain granted the inhabitants of Cyprus freedom and independence. On August 16, 2 years ago,

the Republic of Cyprus was proclaimed. On the second anniversary of that event I greet the citizens of Cyprus as our friends and allies in our struggle for peace and democracy.

APPOINTMENT OF JUDGES IN THE DISTRICT OF COLUMBIA

Mr. DOWDY. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up the bill (S. 3428) relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia and ask unanimous consent that it be considered in the House as in Committee of the Whole.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the second sentence of the first section of the Act entitled "An Act to consolidate the Police Court of the District of Columbia and the Municipal Court of the District of Columbia, to be known as 'The Municipal Court for the District of Columbia', to create 'The Municipal Court of Appeals for the District of Columbia', and for other purposes", approved April 1, 1942 (56 Stat. 190; D.C. Code, sec. 11-752), as amended, is amended to read as follows: "The court shall consist of a chief judge and fifteen associate judges appointed by the President with the advice and consent of the Senate."

(b) The third sentence of section 6 of such Act, as amended (D.C. Code, sec. 11-771), is amended to read as follows: "The said court shall consist of a chief judge and two associate judges appointed by the President with the advice and consent of the Senate, two of whom shall constitute a quorum."

SEC. 2. (a) Subsection (a) of section 19 of the Juvenile Court Act of the District of Columbia, approved June 1, 1938 (52 Stat. 601; D.C. Code, sec. 11-920), as amended, is amended by striking out "three judges" and inserting in lieu thereof the following: "a chief judge and two associate judges".

(b) Subsection (c) of section 19 of such Act is amended by striking out the first sentence thereof.

SEC. 3. Nothing contained in any amendment made by this Act shall be construed as affecting any appointment or designation as a judge or chief judge of the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, or the juvenile court of the District of Columbia made prior to the date of enactment of this Act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

Mr. DOWDY. Mr. Speaker, I ask unanimous consent to insert in the RECORD at this point a statement of the purposes of the bill and also a letter from Deputy Attorney General Katzenbach relative to the bill.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. DOWDY. Mr. Speaker, the purpose of this bill is to remove any existing ambiguity concerning the power of appointment of chief judges for the municipal court of appeals, for the municipal court, and for the juvenile court of the District of Columbia by amending existing law to provide clearly that such chief judges shall be appointed by the President with the advice and consent of the Senate.

In 1942, the Congress enacted Public Law 512 to establish the present municipal court and the municipal court of appeals for the District of Columbia. This act also provided for a new position of chief judge for each of these courts. The House bill, H.R. 5784, 77th Congress, carried language which clearly provided that such chief judges of those courts were to be appointed by the President with the advice and consent of the Senate.

That bill, as introduced, provided as follows concerning the municipal court:

The court shall consist of a chief judge and nine associate judges appointed by the President with the advice and consent of the Senate.

In relation to the municipal court of appeals, section 6(a) of the House bill provided as follows:

The municipal court of appeals shall consist of a chief judge and two associate judges appointed by the President, with the advice and consent of the Senate.

When this bill was considered by the Senate, the text of the bill was revised language provided as to both courts that the judges be "appointed by the President with the advice and consent of the Senate, one of whom shall be designated by the President as chief judge."

During the intervening years, appointments of chief judges have been made "with the advice and consent of the Senate." On October 1, 1961, the Justice Department advised the Senate Committee on the District of Columbia of its intention to depart from the established procedure and to appoint a chief judge for the municipal court of appeals by designating the Honorable Andrew Hood, associate judge of the municipal court of appeals, to be chief

judge without submitting the designation to the Senate for approval.

The Senate Committee on the District of Columbia thereafter made a careful study of the existing law and found no legislative intent that the appointment of chief judges by exempt from Senate confirmation. However, possible ambiguity of language was found in Public Law 512 of the 77th Congress. To clarify the law, all members of the Senate Committee on the District of Columbia joined in sponsoring the pending bill, S. 3428.

The language of this bill essentially restores the original language of H.R. 5784 of the 77th Congress by providing that the chief judges of the municipal court of appeals, the municipal court, and the juvenile court of the District of Columbia shall be appointed by the President with the advice and consent of the Senate.

This bill does not add any new judges to any of the courts and does not involve any additional expenditures. The House Committee on the District of Columbia in full executive session gave unanimous approval to the bill. The Senate is withholding action on recommendations for judicial appointments to the juvenile court pending approval of this bill.

JULY 30, 1962.

HON. ALAN BIBLE,
Chairman, Committee on the District of
Columbia, U.S. Senate, Washington,
D.C.

DEAR SENATOR: This is in response to your request for the views of the Department of Justice on S. 3428, a bill relating to the appointment of judges to the municipal court for the District of Columbia, the municipal court of appeals for the District of Columbia, and the juvenile court of the District of Columbia.

The language of existing law relating to the appointment of judges to the above courts has raised a question as to whether designations of the chief judges of those courts are subject to Senate confirmation. The bill would provide specifically that the chief judges and associate judges shall be appointed by the President with the advice and consent of the Senate. This would be consistent with laws providing for the appointment of chief judges and associate judges of other courts, including the Supreme Court.

Accordingly, the Department of Justice favors enactment of the bill.

The Bureau of the Budget has advised that there is no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

NICHOLAS DEB. KATZENBACH,
Deputy Attorney General.

PUBLIC WORKS APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river

basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Pending that motion, I would like to agree with the gentleman from Iowa on time for debate. I wonder if it would be agreeable to the gentleman if we on the bill be limited not to exceed 1 hour.

Mr. JENSEN. I would agree to that due to the fact that the bill came out of the subcommittee and the full committee with almost perfect agreement. There might be an item or two that some of us would rather have out of the bill, but as a whole the bill is a good one and should not take more than 1 hour of general debate, 30 minutes on a side. If others want to speak on the bill which the 1 hour will not permit, of course, they can proceed under the 5-minute rule.

Mr. CANNON. Mr. Speaker, I ask unanimous consent that general debate on the bill be limited not to exceed 1 hour.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I am not going to object, I want to say to the chairman that I wish as soon as possible to call to your attention and that of the members of the committee the inclusion of an item of \$50,000 for a further harbor survey on the shore of Lake Michigan in Indiana. I just want it understood that the survey has been made.

I started that, because when I first came here in 1935 I took up this matter with Governor McNutt and later with Governor Schricker, Senator Van Nuys and Senator Minton. I want to call to the attention of the committee the fact that the Army Engineers surveyed the whole lake shore of Lake Michigan in Indiana and they came up with the definite conclusion that there is only one place on the Indiana shore of Lake Michigan which had sufficient space available for the type of industrial and commercial harbor desired by local interests.

The point I make is I cannot see any reason for throwing \$50,000 down a rat-hole to resurvey something that has been surveyed already, and in respect to which a definite conclusion has been reached.

Mr. Speaker, I withdraw my reservation of objection.

Mr. CANNON. The gentleman understands that the bill will be read paragraph by paragraph, and ample opportunity to discuss any item will be afforded when it comes up in the regular order.

Mr. FORD. Mr. Speaker, reserving the right to object, I take this time to make an inquiry concerning a rumor I have heard that at the conclusion of this bill, which is the last bill on the whip notice for this week, the GI insurance reopening bill is scheduled to be called up. If it is proposed to call up H.R. 12333 it is my intention to object to its consideration today.

What is the schedule concerning that proposed legislation?

Mr. CANNON. I trust the consideration of pending appropriation bill will move with such expedition as to obviate the gentleman's inquiry.

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. FORD. I yield to the gentleman from Oklahoma.

Mr. ALBERT. We had planned to bring up the GI bill under a rule, if a rule is granted, on Monday; but in view of the fact that we have no other major legislative business ready to be scheduled for next week, we had hoped we might be able by a two-thirds vote, if necessary, to bring that bill up today or tomorrow, and also to dispose of three or four other legislative matters. We hope to do this only for the purpose of giving the Members of the House the opportunity to take off next week. This will probably be our last chance to take a week off before the beginning of the next school term.

That is the plan and that is the purpose. Of course we can program this bill for Monday, and I think we will have to program the bill for Monday unless we can dispose of it this week.

Mr. FORD. As I understand the schedule for the week preceding Labor Day, it is intended to have at least two bills up of some significance. It is my feeling there is no urgency about the consideration of this bill for extension of GI insurance. Why cannot H.R. 12333 be fitted into that week just before Labor Day?

Mr. ALBERT. The decision has been made. Others are involved in the decision that this bill will be taken up not later than Monday of next week.

Mr. FORD. I understand some of the background of this controversy. Personally, I resent that there are some Members of the other body who seem to be influencing our legislative schedule. I am not blaming my good friend from Oklahoma, but, as one individual, I resent the kind of pressure they are exerting on us to bring this thing up without any previous notice, bringing up a bill that was not on the whip notice for this week.

I am constrained under the circumstances to indicate what my position will be, that I will object to the consideration. If the leadership wants to bring it up under a two-thirds vote, I will be one who will oppose such action.

Mr. HALLECK. Mr. Speaker, I think I should say to the membership that for some days there have been discussions regarding the possibility of a light schedule for next week which might accommodate a great many Members.

I want to say to the gentleman from Michigan that up until shortly before noon today I did not know about the arrangement with respect to this particular measure in which he is interested. If two-thirds of the Members want it, whether it comes up today or some other day will not make much difference, although I understand the gentleman objects. But I think in fairness to the majority leader and the Speaker, insofar as the arrangement for next week is concerned, I have consulted with them and

they have consulted with me, and I have consulted with numerous Members, in the hope that we could work out a schedule next week.

Mr. FORD. Is it not also fair to say that the gentleman had no forewarning that this legislation would be put on the agenda before next week?

Mr. HALLECK. If the gentleman will yield, I do say to the gentleman that until shortly before noon, I had no knowledge of this arrangement. It was suggested to me that otherwise it might have to come up next week.

Mr. ALBERT. Mr. Speaker, if the gentleman will yield, I had definitely planned and had arranged with the gentleman from Texas [Mr. TEAGUE], that the bill would be programmed for Monday. But in view of the total situation, I am prepared now to announce other bills that we can take up either this week or next week. There are three bills which can be considered which come from the Committee on Armed Services. I would like to get them up. I have talked to the gentleman from Illinois about this.

Mr. VINSON. We are ready to take those up at any time.

Mr. ALBERT. The gentleman from Georgia [Mr. VINSON], advises that they are ready for consideration. These bills are: S. 2020, having to do with development of the South Barron gas field; H.R. 5423, regarding possession of oil shale reserves, and H.R. 12081, on the conveyance of land in California at the Hunter-Liggett Military Reservation.

I would like to further advise that we had planned to bring up the GI bill on Monday. It is only a matter of accommodating the Members of the House that we now hope to bring up the bill this week.

Mr. FORD. As I say, Mr. Speaker, I am constrained under the circumstances to ask the consideration of the leadership that at the time this bill is to be scheduled today I be advised previously in order that I can be here to indicate my objection. If the House wishes to act by a two-thirds vote, that is off course the decision of the House. However, I do ask that I be given an opportunity to be here when I can raise my objection to this procedure of bringing legislation to the floor without previous notification.

Mr. Speaker, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. CANNON]?

There was no objection.

The SPEAKER. The Chair would like the attention of the gentleman from Michigan [Mr. FORD]. The Chair desires to state that a number of Members have spoke to me as Speaker about the problems that confront them, which problems I thoroughly appreciate. In my years of experience as majority leader I always bore these problems in mind. But this situation did not develop until within 24 hours where arrangements could be made for next week. There are problems of the leadership, and there are problems of all the Members.

The Chair felt if this bill could be brought up today, and these other three bills, we could adjourn over today until Monday of next week, and from Monday of next week to Thursday of next week, and from Thursday of next week to the following Monday. The Chair takes complete responsibility, the responsibility, as the Chair felt, being in the interest of the Members of the House that consideration could be given at this time because later on the Chair could see where there would be extreme difficulty and next week afforded an excellent opportunity. These decisions are made rather quickly because we just do not know what problems might arise. As a matter of fact, the Chair did not definitely make the decision until this morning, although the Chair had pretty well formulated it in the mind of the Chair yesterday afternoon and last evening.

Mr. FORD. Would the Speaker grant me unanimous consent to proceed for 1 minute?

The SPEAKER. The Chair recognizes the gentleman from Michigan.

Mr. FORD. Mr. Speaker, I think my past record is fairly clear in trying to cooperate with the leadership. It is certainly my intention to do so to the maximum extent possible in the future. Unfortunately certain facts probably should not be stated on the floor concerning the background of this legislative controversy. One way to extricate the House from this dilemma is to make certain changes in H.R. 12333. If this could be done I would have less objection to the committee's proposal. Unless such changes can be made in the bill I am unalterably opposed. I do not like the position in which I find myself but I do not intend to let Members of the other body dictate our legislative schedule.

The SPEAKER. The question is on the motion offered by the gentleman from Missouri.

The motion was agreed to.

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12900) with Mr. Boggs in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

Mr. CANNON. Mr. Chairman, we bring you today the bill of the year—the culmination of the domestic fiscal program for the session.

This bill changes the face of America. It reconstructs the continent. It preserves and activates and vitalizes the resources of the Nation.

The bill is comprehensive. It includes every State and practically every congressional district in the Union. There is something here for everybody and no project of merit has been omitted. The bill promotes universally the health, happiness, and prosperity of the people as a whole of every section of the country. It supplements the policy and purpose and program of the President of the United States as declared in his inaugural address and in his notable address to the Nation over the air this week.

It rejuvenates and accelerates the business progress of the country. It starts new wheels turning, both urban and rural. It moves up the pace both in the factory and on the farm. It creates new jobs and new markets. It opens up new avenues and develops new skills and starts the cash registers ringing in every community.

It protects and renews depleted national resources. It purifies rivers and curbs unruly floods. It integrates and amplifies power production and transmission at reasonable rates.

It is true that the cost is heavy and that some of the cost must be paid by the children and grandchildren, but it saves and transmits to posterity invaluable resources and national wealth and economic democracy, which otherwise would be lost to the people forever.

The bill husbands and sustains and promotes in atomic energy the fabrication and perfection of new tools and new weapons without which the future of the Republic is seriously problematical.

It insures to that extent the continuation of a classless democracy—of government and standard of living—that constitutes an indispensable part of the prerogatives reserved and guaranteed to the public by the Constitution of the United States.

Of course, we could not include every request; we could not provide for every suggestion; we could not comply with every importunity. We were necessarily constrained to omit local projects dear to the hearts of some of our friends, the ultimate cost of which would have aggregated billions of dollars and which, if included in this bill, would have rendered it ridiculous and impracticable, and which would have imperiled the rest of a wise and warranted program.

I trust, Mr. Chairman, that they will not be offered on the floor here in the form of amendments, but if they are, it should be remembered that this bill was formulated and written, after long consideration, and exhaustive hearings, and after consultation with the most eminent authorities of the Congress and the country, and it should be remembered that the President in his fireside talk the other evening warned of the need of economy and of the demand for tax reduction and the unavoidable consequences of deficit spending at this critical time.

There is a point of reckless expenditure beyond which we cannot—beyond which we must not—venture however great the local demand for economic and political advantage which might accrue to sections already amply favored in this bill and in previous bills of this character.

Mr. Chairman, I reserve the balance of my time.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says that no project of merit has been omitted. Would he also say that no unmeritorious projects have been included in this bill?

Mr. CANNON. Of course, the gentleman understands that the term is relative—that when we say, “No project of merit,” we mean “No project of sufficient merit.”

There is merit in all projects proposed—to a greater or less degree—and in every bill of this character. There may be some projects in this bill which are of less merit than others. The committee after months of hearings has made a voluminous record, which has been submitted to the gentleman and of which he has, I am certain, read every word. He must be aware of the extent of the need which prompted the committee to include particular projects.

Mr. GROSS. This bill is \$672 million or almost \$673 million more than was expended on public works in the last fiscal year.

Mr. CANNON. The gentleman overlooks the fact that there has been a material reduction in this instance and that the Bureau of the Budget sent up requests for much more than the amounts allowed by the committee. The committee in the interest of economy has seen fit to reduce the budget requests of the administration and the departments.

Mr. GROSS. Will not the gentleman agree with me that the budget figures are always the asking price and usually most committees, as a matter of course, cut the budget request? I am speaking now of the more than half a billion dollars increase over the same pork barrel bill in fiscal year 1962.

Mr. CANNON. The gentleman has been here a long time and is unusually well informed. I regard his opinion as highly as I regard any opinion that could be expressed here. I am certain also he understands the circumstances calling for the inclusion of every item in this bill.

Mr. EVINS. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Tennessee.

Mr. EVINS. The gentleman from Missouri might also point out to the gentleman from Iowa that \$312 million of this amount more than last year is to the Atomic Energy Commission for the tests they have been making and for other weapons requirements.

Mr. CANNON. That is true. The atomic energy items reflect the greatest increase of any section of the bill. The appropriations for the routine public works—especially the river and harbor items of the bill—are less than usual.

Mr. JENSEN. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I may say at the outset of my remarks that I approve of this bill as a whole. I did offer several amendments to the bill in the committee, amendments which sought to considerably reduce the bill. The committee did not see fit to approve all my amendments. Nevertheless, I come before the House today in support of the bill.

The budget request for these many, many functions of Government was in the amount of \$4,745,332,000. We reduced those figures by \$131,524,100. The

bill we bring before you today is in the amount of \$4,613,807,900. It must be remembered, however, that in that amount we have included for the Atomic Energy Commission, for their regular functions, \$3,122,819,000. This brings the balance of the bill down to \$1,490,988,900.

This bill is about \$670 million over the appropriations for 1962. However, in that amount you will find an increase of \$571 million-plus for the Atomic Energy Commission's weapons program. This leaves an amount of a little over \$100 million for these other many, many functions of Government which cover the United States like a blanket.

There is scarcely a district in the entire United States that does not suffer a disastrous flood at least once every 10 years, and there are many districts, many areas in this country which will suffer devastating floods three, four, and five times every 10 years. Those floods are not only destructive of property in the amount of billions of dollars, but also in the loss of human lives. You will find in this bill funds to carry on flood control projects that are now under construction or in the planning stage, and funds for preliminary investigation and surveys.

I may say that there were in the neighborhood of 1,000 people from all over America who came before the committee to testify in favor of the projects which they felt were absolutely necessary. Here you can see a stack of hearings about a foot high, 5,633 printed pages of hearings, Mr. Chairman.

Among the people who came before our committee were not only the people from these disaster areas but also the officers and members of the U.S. Army Engineers. The Secretary of the Interior, Mr. Udall, the Chief of the Bureau of Reclamation, and their staffs appeared before the committee to justify the budget requests.

When the hearings were over we held our markup—I should call it a mark-down, because we reduced the President's budget in the amount of \$131,524,100.

Mr. Chairman, this bill is an all-American bill. It is to develop our natural resources, to control our rivers, to preserve and conserve our water and soil resources and for everything that is good for the progress of America.

I offer no alibis or excuses for the bill that has come out of this Committee on Interior and public works appropriations during the past 20 years.

Mr. Chairman, it has been said that God made heaven perfect in all its aspects, and surely heaven must be perfect. But God purposely made the earth imperfect. Had He not done so, we would have long ago become a nation of drones and we would have perished as the drone in the beehive soon perishes. Yes; it is our duty as Members of this Congress and the duty of every American, as I see it, to assist in making this earth a little more perfect in all its physical aspects. We call it reclamation. Had we not done this long ago our land would have eroded, washed away, and blown away. Of course, we have had a lot of help from that great organization,

the Soil Conservation Service, in reclaiming, protecting, and conserving here a nation of fertile, productive land. Therefore, my colleagues, I am proud to be a member of this committee. I commend every member of the committee. I commend our good clerks who work diligently year in and year out to get the information which we, the members of this committee, must have in order to bring to the House of Representatives a bill which is justified and which will stand the acid test.

Mr. KIRWAN. Mr. Chairman, I yield myself such time as I may consume.

(Mr. KIRWAN asked and was given permission to revise and extend his remarks.)

Mr. KIRWAN. Mr. Chairman and members of the Committee, last year when this bill was before the House I made this statement:

It is the cheapest public works bill you will see for many, many years.

Now, this year it is \$672.8 million more than it was last year. This bill, of course, includes the request for the Atomic Energy Commission, which accounts for \$572.4 million of the increase, primarily for the weapons program, including testing.

I believe this is one of the best bills which has ever come before the Members of the House. We all recall that former President Theodore Roosevelt, a great President, instituted the Reclamation Act in 1902. From 1902 to World War I all we spent in America for reclamation and water resources development was about \$300 million. So you know what we are going to have to pay in the next 10 or 15 years to save what Mr. Theodore Roosevelt started to save in 1902. There is no escape from it, if we are to preserve and develop our great natural resources.

Just to give you a little idea of the task facing our committee on this bill, I have in front of me a project listing, covering nine very large pages. It involves over 300 projects on which the Members of Congress asked the committee to either raise the budget or insert starts that were not budgeted. Needless to say, considering all the factors involved, it is possible to implement only a relatively small number of these unbudgeted items in any one fiscal year.

The bill includes funds for a total of 459 projects with a total estimated Federal cost of about \$17 billion. Of course, many of these have been under construction and a great deal of this amount has already been appropriated. However, the total cost is \$17 billion.

That is a lot of money. But I again tell you that it is going to cost a lot more money as time marches on.

Sometimes the press calls this a “pork barrel” bill, but down through 30 years we spent only about \$300 million on our water resources and reclamation. We are now going to pay the penalty and how we are going to pay for this neglect, for many, many years to come.

I repeat, when you realize the Members of this body asked the committee to raise the budget or put in items that were not budgeted on over 300 projects—and you know that everybody knows his

own district—then you know that he knows that there is something wrong in that district that should be corrected. That is why for years and years to come it is going to cost plenty of money. There is no escape from it.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. KIRWAN. I yield.

Mr. GROSS. It is my understanding that the AEC appropriation is not yet authorized by law. Are there any other projects in this bill that are not authorized by law?

Mr. KIRWAN. I know of only one project, Flushing Bay and Creek in New York. This modification should be completed in time for the New York World's Fair so we included \$1,500,000 to get the work started. However, the money cannot be used until the project is authorized.

Mr. GROSS. Then you are making an appropriation here without authorization.

Mr. KIRWAN. I understand that, but we cannot postpone the fair. We have got to have some little leeway. Language in the bill prohibits the use of the money until it is authorized.

Mr. GROSS. Is that the only one?

Mr. KIRWAN. Yes, to my knowledge. I repeat that down through the years we are going to pay and pay heavily. But every dime in this bill and every public works bill that will follow will be spent either in or on America. We cannot go forward without adequate waterway transportation, flood control, and reclamation.

To ship a ton of coal today from West Virginia to Norfolk, Va., costs \$4.50. Do you think we can compete with the world at that rate? No wonder the miners in West Virginia, Pennsylvania, Kentucky, and all those places are idle. We need cheaper and better transportation, like the rest of the world. That is going to cost money. It is not going to be done for a couple of dollars. But we want to compete with the rest of the world and keep the people employed and not on a dole. It must be and is going to be done.

Every dime here that is spent on this country of ours will come back, because this is the greatest country in the world. Nobody can doubt that. All you have to do is look and see the streams and the mountains and the climate and the soil. Everything God ever put into a country he has done for America. But we have not done the best job in this country. We robbed and looted it for 300 years. It will take us a long time to catch up.

So I am in the well today to put the stamp of approval on a bill that came out of committee without any serious controversy. I believe it is one of the best bills to be presented to Congress.

Mr. JENSEN. Mr. Chairman, I yield such time as she may desire to the gentlewoman from New Jersey [Mrs. DWYER].

(Mrs. DWYER asked and was given permission to revise and extend her remarks.)

Mrs. DWYER. Mr. Chairman, I should like to take this opportunity to call special attention to the items in this

bill which affect the vast New Jersey-New York port area, the greatest in the world, and to indicate my very strong support for these items.

As I indicated in my testimony before the Public Works Subcommittee, it is easy to overlook the importance of the individual parts of such a huge and complex whole as the metropolitan area of New York and New Jersey. Yet, these parts are vital to the health and prosperity of that whole, and none more so than maintenance of the waterways that have given the area its preeminent position in world trade. In terms of income and employment, it would be difficult to overstate the significance of its oceangoing commerce to the entire metropolitan region.

For that reason, I am delighted the committee has recommended approval of each of the items included in the budget, the studies covering flood control of the Elizabeth River, development of the Jersey Meadows, the Newark Bay-Passaic River-Hackensack River project, Jamaica Bay, and the New York State barge canal, and two major construction projects, a new south entrance channel to New York Harbor and continuation of the improvements on the waterway from the Great Lakes to the Hudson River.

Of the two unbudgeted requests submitted by the Port of New York Authority—and apparently not approved by the committee—I hope special attention will be given at the earliest possible time by the committee and the Corps of Engineers to the rehabilitation of Shooter's Island dike, which is located at the confluence of the Arthur Kill, Newark Bay and the Kill van Kull, one of the most heavily traveled ship channels in the entire port area. The dike is designed to protect the channels from silt and suspended materials. It is extremely dilapidated and maintenance has been deferred for many years.

Rehabilitation of the dike is particularly important, I believe, in connection with development of two of the most important areas in the Port of New York, Port Newark, and Port Elizabeth which, together, will account for a substantial portion of overall port business. Port Elizabeth was formally dedicated yesterday with the arrival of the first ship at the Port Authority piers, and this \$150 million project will eventually provide employment for 9,500 people with an annual payroll of approximately \$52 million.

I was especially pleased, Mr. Chairman, that the committee has recommended continuation and completion of the Corp of Engineers' study of the need of flood control of the Elizabeth River. As was the case last year when the study was initiated, funds for the project are included in the \$150,000 special study of the Jersey meadows. The committee and the Corps of Engineers have informed me that sufficient funds to complete the study—an estimated \$30,000—are earmarked for the Elizabeth River, in this fiscal 1963 bill.

Earlier this summer, the Corps of Engineers completed its preliminary economic evaluation of the project and rec-

ommended that the survey be continued. Flood damage along the river, especially in Elizabeth, Hillside, and Union, has become increasingly serious over the years. I hope, therefore, that the Engineers' survey in the months ahead will show that flood control is both necessary and economically feasible, and that we can then proceed with the actual construction of flood control facilities.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Pennsylvania [Mr. FENTON].

Mr. FENTON. Mr. Chairman, the public works appropriation bill, H.R. 12900, now under consideration by the House provides funds for numerous fine projects and programs. There are, however, a few items in the bill that are not justified under any conditions and particularly so, under present fiscal conditions.

Through the many years that I have been on the Public Works Subcommittee of the House Appropriations Committee, I have spent countless hours listening to the various Federal agencies' witnesses attempt to justify the budget requests for the various projects and programs. Later, Members of Congress, together with hundreds of witnesses from all over the country appeared before our subcommittee to give testimony in support of many of the projects, some of which were not included in the budget request of the agency involved. Oftentimes some of the projects are not even authorized. Then, there are other groups of witnesses who appear in opposition to specific projects or programs.

The bill before you while below the budget request by some \$131,523,100 is nevertheless \$672,851,920 in excess of the fiscal year 1962 appropriations for the agencies concerned. In view of the substantial budget deficit in excess of \$6 billion for fiscal year 1962 and a probable greater budget deficit for fiscal year 1963, it is difficult to justify many of the programs, studies and projects provided in this bill. Many of the projects are of very questionable economic justification, others are of doubtful national benefit, and in some instances funds are provided for projects which non-Federal entities are willing and able to provide for.

Back in 1959 when Congress voted to permit the Tennessee Valley Authority to issue revenue bonds to finance its operation, many Members of Congress thought that meant the elimination of further appropriations for TVA. Such is not the case, however, as the appropriation in this bill is nearly 2½ times the appropriation provided in 1959 for TVA for fiscal year 1960.

The funds provided for TVA in this bill includes an item of \$2,500,000 to begin construction on a tributary area development program. See page 899 of part 3 of hearings through page 906. This program is in large part a usurpation of the work done by the USDA Soil Conservation Service in other parts of the country. Some years back TVA spokesmen assured this committee that this sort of thing was to be turned over to the local and State interests for implementation. But like many other TVA

promises it was honored in the breach only. There is no justifiable reason why this soil conservation work should be taken over by TVA with the taxpayers of the Nation footing a much larger part of the bill than would be true under the Soil Conservation Service program. It is high time that Congress reasserted its proper control over the actions of TVA.

I also want to call attention at this time to the testimony before our subcommittee by the Tennessee Valley Authority relative to a possible violation of the United States Code and the circumvention of the will of Congress regarding the area wherein TVA power can be distributed. See part 3 of the hearings, pages 936 through 942. It seems that meetings were held at TVA headquarters that were attended by groups outside the "fence" Congress had placed around the TVA power systems. In one such meeting it appears a newspaper reporter was present as a member of the outside group and he published an account of the procedures outlined by TVA officials for getting the "TVA fence" moved. If his account was true—and there is every reason to believe it was—then the TVA officials involved appear to have acted in violation of the United States Code.

We who were opposed granting TVA authority to issue bonds and to operate without proper congressional control were not surprised at this TVA action in encouraging a breaching of the TVA power system "fence."

Another highly questionable program provided for in this bill is the funding of uneconomic and unwarranted inter-regional transmission line ties. These are all part and parcel of the plan put forth back in the early 1920's to create a Federal superpower system for the entire Nation. I am convinced that the majority of the people in the United States are opposed to this piecemeal promotion of socialism in this country. It can only end up in a Federal monopoly that is contrary to our system of free enterprise which has made this country so great. The end result would be a loss of the freedoms which thousands of our people have died to preserve.

An example of this is the tie-in with the Missouri River Basin and the Southwestern Power Administration.

CRESTON-FAIRPORT TRANSMISSION LINE

The proposal of the Bureau of Reclamation to construct a transmission line from Creston, Iowa, to Fairport, Mo., to bring about the interconnection of the Missouri River Basin with the Southwestern Power Administration raises for Congress a basic and fundamental issue of power policy.

This is not the type of line that Congress provided for under section 5 of the Flood Control Act of 1944, which is the authorizing act for the Missouri River Basin.

On July 27 the Comptroller General, in a letter of Representative JOHN R. PILLION, introduced the question of necessity of the line. Since, as the Comptroller General stated, this is a matter for determination by the Congress, it is well to examine the factors involved. The issue that is raised by this question goes

ultimately to what type of power system this country is to have. Will it continue to be a mixed system, but one primarily reliant on the skills and talents of private industry to supply the bulk of the Nation's power? Or is it to become an all-Federal public power monopoly?

In the public works appropriations bill of 1963 the Bureau is requesting \$500,000 to start construction of this project. Eventually it will cost \$2.65 million. In the longer run it will cost the Nation much more in terms of weakening the free enterprise system, in contributing to the size of the Central Government, in increasing individual taxes.

Congress should know that in proposing this project, the Bureau is, first, going completely contrary to the intent and purpose of section 5 of the Flood Control Act of 1944; second, proposing a project that is unnecessary since there are other facilities available to achieve the same objective; and, third, proposing a step which is part of a long-range plan to blanket the Nation with a Federal transmission grid.

1. SECTION 5 OF THE FLOOD CONTROL ACT OF 1944

This section governs the construction of transmission lines by the Department of the Interior to market power from dams built by the Corps of Engineers. It states in part:

Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy. The Secretary of the Interior is authorized, from funds to be appropriated by Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

The meaning and purpose of this language is without question. It was originated in the Senate and proposed as an amendment to the Flood Control Act of 1944 which then had already passed the House. But the House subsequently concurred in this action. It came about for reasons which are remarkably similar to conditions existing today. Interior Secretary Harold Ickes at that time was seeking almost unlimited authority for his Department to build transmission lines. He sought this authority before both House and Senate. He was conclusively turned down by both.

But the Senate realized that this denial of authority to the Secretary still was not enough and that something positive had to be done to protect private industry in this country from rapacious government.

It drafted what eventually became section 5 of the act and the Senate Commerce Committee in explaining the action in its report on the bill said:

The committee desires an amendment which provides a convenient and practical

method of disposing of power at projects under the control of the War Department without setting up a public power trust which would be unduly competitive with established private power utilities. The committee, therefore, has inserted a proviso which authorizes the Secretary of the Interior to construct and acquire only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at such projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Section 5, therefore, has a very clearly defined purpose. Congress in limiting the authority of the Secretary to build only necessary lines was to protect the country against a public power trust which would be unduly competitive with established private utilities. At the same time, however, Congress was also protecting the preference customer. By authorizing the construction of necessary transmission lines to bring power in wholesale quantities to public bodies and cooperatives, Congress made it clear that it wanted Federal power to be made available to preference customers where they needed it rather than to be sold at the dam only to those who were, so to speak, able to come and get it.

2. THE PROJECT IS UNNECESSARY

Section 5 states clearly that the Secretary of the Interior is authorized to build "only such transmission lines, as may be necessary." The Creston-Fairport line is not necessary. During our hearings in May 1962, before the House Appropriations Subcommittee, witnesses for electric companies in the area testified that facilities were available to achieve the same objective as the proposed Federal line.

As recently as August 1, 1962, the Iowa Power & Light Co., and the Kansas City Power & Light Co., wrote a joint letter to the Secretary of Interior offering the use of existing transmission facilities to the Interior to achieve the same purpose as the Creston-Fairport Federal line. A Federal Creston-Fairport line would be duplication of existing facilities, and unnecessary spending of \$2.65 million of Federal funds.

3. THE LINE IS PART OF A LONG-RANGE PLAN TO BLANKET THE NATION WITH A FEDERAL GRID

The Department of the Interior announced the proposed Creston-Fairport line in April 1962. At that time, Assistant Interior Secretary Kenneth Holm said the proposed intertie is in keeping with President Kennedy's directive that the Department develop plans for the early interconnection of areas served by its marketing agencies with common-carrier transmission lines.

The Creston-Fairport line, therefore, is one phase of a continuing program to build Federal transmission lines throughout the country. The original announcement of the line also stated the recommendation covered "only the first phase of continuing studies on integrating Missouri River Basin-Southwestern Power Administration transmission systems. Studies are going forward on the possibilities of an extra-high-voltage intertie between the two systems." In

other words, the Creston-Fairport line is a step toward creation of the very "public power trust" which section 5 of the Flood Control Act of 1944 seeks to prevent.

The directive of the President cited in this instance is the directive that is being cited for every other proposed or contemplated Federal transmission intertie between Federal power systems. It is the directive under which the Bonneville Power Administration in the public works bill sought \$500,000 for further studies of a Federal interconnection of the Bonneville system with California. And, in that connection, the Appropriations Committee reduced the amount to \$300,000, told Bonneville that no actual ground survey is to be undertaken and further stated:

It is apparent from testimony to date that more specific negotiations and planning between the Federal Government and private and public utilities in the area affected must be accomplished if the Congress is to be assured that it is being presented with the most feasible and economical plan for the construction and use of intertie facilities.

The case of the Creston-Fairport line is no different. It is more significant, however, for this reason: It is being proposed under the authorizing act which contains the expression of congressional policy and intent—namely, section 5—but it is not in accord with the policy of Congress when it enacted that section.

The question before Congress is clear. This project is not in accord with the will of Congress. Congress hammered out the policy reflected in section 5 after careful deliberation in hearings and debate. It is a policy that is fair to both sides.

Congress said that only such transmission lines as were necessary should be constructed. Congress did that because it was opposed to setting up a public power trust. The Creston-Fairport line would contribute to setting up such a trust.

The Creston-Fairport line would be part of a Federal national power grid. It would join two large, separate Federal power systems and be a long step toward the creation of a huge public power trust spread across all or parts of 10 States and which because of tax exemption and other advantages would be unduly competitive with established private power utilities.

This is the issue before Congress. It is a decision which cannot be postponed to another day because every Federal power project, every inroad by the Government into a field of business, merely facilitates the next step and makes easier the ultimate displacement of free enterprise by Federal ownership.

During the hearings I brought out the need for increasing turning basins or anchorages for ships traveling the Philadelphia-to-the-sea stretch of the Delaware River. I am pleased that the bill provides funds to make a start on this much needed work. Numerous collisions and damages in the past attest to the need for such work. See pages 620 through 621 of part I of hearings.

Mr. Chairman, this bill in general, is a good bill. The report, No. 2223, accom-

panying it is very complete and explains the reasons for the actions taken by the subcommittee and I trust it will be accepted by this body.

(Mr. FENTON asked and was given permission to revise and extend his remarks.)

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from Colorado [Mr. ASPINALL].

Mr. ASPINALL. I thank the gentleman from Missouri [Mr. CANNON] very much for yielding a little time to me.

Mr. Chairman, first I wish to commend the gentleman from Missouri, the distinguished chairman of the committee, and the members of the committee for what I think is one of the finest bills that have been brought before the House in regard to appropriations for public works and kindred operations.

Mr. Chairman, I would like to make a brief statement with respect to the funds included in this bill for the Glen Canyon unit of the Colorado River storage project. The amount included for this unit is \$44,924,000, less its share of the undistributed reduction based on anticipated delays. This amount includes \$875,000 for the purchase of substitute energy for the firm energy deficiency which will arise at Hoover Dam during the filling of Glen Canyon Reservoir. This procedure is in accordance with the principles and criteria governing operation of the Colorado River during the Glen Canyon Reservoir filling period which were approved by the Secretary of the Interior on April 2, 1962. Since this is the first time that funds appropriated for the Upper Colorado River Basin fund have been earmarked for the purchase of replacement power I want to make it absolutely clear that the principles and criteria approved by the Secretary also provide that the Upper Colorado River Basin fund be reimbursed from Hoover Dam power revenues, beginning with June 1, 1987, to the full extent that it will be depleted by virtue of such procedure, and to ask the chairman of the committee if this is his understanding regarding this matter.

Mr. CANNON. I may say to the gentleman from Colorado that this is our understanding and that under existing conditions and so long as the situation obtains, the schedule indicated by the gentleman will be followed.

Mr. ASPINALL. I thank the gentleman. I understand exactly why he says, "under existing conditions," because there is no certainty in constancy of any matter in today's world, if there ever was.

Mr. Chairman, supplementing my remarks, and under permission previously granted, I include the following statements:

[From the Federal Register, July 18, 1962]
GENERATION AND SALE OF POWER

On May 20, 1941, there was promulgated, in accordance with the act of July 19, 1940 (54 Stat. 774; 43 U.S.C. 618), General Regulations for Generation and Sale of Power in Accordance with the Boulder Canyon Project Adjustment Act. The purpose of additional regulation No. 1 is to provide for an adjustment, under certain conditions, of charges for electrical energy sold to the allottees. In accordance with Article 27 of the above

cited regulations, on April 4, 1962, the power allottees affected were furnished copies of additional regulation No. 1 in order that they might present their views with respect to it. Having considered all comments received, additional regulation No. 1 is hereby adopted without change and is set forth below.

GENERAL REGULATIONS FOR GENERATION AND SALE OF POWER IN ACCORDANCE WITH THE BOULDER CANYON PROJECT ADJUSTMENT ACT

Additional Regulation No. 1

Commencing with June 1, 1937, charges for electrical energy in addition to such other components as may then be authorized or required under the then existing laws and regulations, and to the extent not inconsistent therewith, shall include a component to return to the United States funds adequate to reimburse the Upper Colorado River Basin fund for moneys expended from such fund on account of allowances for Hoover diminution during the filling period of the storage project reservoirs authorized by the act of April 11, 1956 (70 Stat. 105), in accordance with paragraph 5 of the General Principles to Govern, and Operating Criteria for, Glen Canyon Reservoir (Lake Powell) and Lake Mead during the Lake Powell filling period, approved April 2, 1962. Such component shall be sufficient, but not more than sufficient, to provide said reimbursement in equal annual installments over a period of years equal to the number of years over which costs on account of allowance were incurred by the said Upper Colorado River Basin fund.

STEWART L. UDALL,
Secretary of the Interior.

GENERAL PRINCIPLES TO GOVERN, AND OPERATING CRITERIA FOR, GLEN CANYON RESERVOIR (LAKE POWELL) AND LAKE MEAD DURING THE LAKE POWELL FILLING PERIOD

1. The following principles and criteria are based on the exercise, consistent with the Law of the River, of reasonable discretion by the Secretary of the Interior in the operation of the Federal projects involved. The case generally styled *Arizona v. California, et al.*, No. 9 Original, is in litigation before the Supreme Court of the United States. Anything which is provided for herein is subject to change consistent with whatever rulings are made by the Supreme Court which might affect the principles and criteria herein set out. They may also be subject to change due to future acts of the Congress.

2. The principles and criteria set forth hereinafter are applicable during the Lake Powell filling period, which is defined as that time interval between the date Lake Powell is first capable of storing water (estimated to occur in the spring of 1963) and the date Lake Powell storage first attains elevation 3,700 (content 28.0 MAF total surface storage) and Lake Mead storage is simultaneously at or above elevation 1146 (content 17.0 MAF available surface storage), or May 31, 1987, whichever occurs first. If, in the judgment of the Secretary, the contents of Lake Powell and Lake Mead warrant such action, and after consultation with appropriate interests of the Upper Colorado River Basin and the Lower Colorado River Basin, the Secretary may declare that in not less than one year from and after the date of such declaration these principles and criteria are no longer applicable.

3. Sufficient water will be passed through or released from either or both Lake Mead and Lake Powell, as circumstances require under the provisions of principles 7 and 8 hereof, to satisfy downstream uses of water (other than for power) below Hoover Dam which uses include the following:

- (a) Net river losses.
- (b) Net reservoir losses.
- (c) Regulatory wastes.

(d) The Mexican Treaty obligation limited to a scheduled 1.5 million acre-feet per year.

(e) The diversion requirements of main-stream projects in the United States.

4. All uses of water from the main stem of the Colorado River between Glen Canyon Dam and Lake Mead will be met by releases from or water passed through Lake Powell and/or by tributary inflow occurring below Glen Canyon Dam. Diversions of water directly out of Lake Mead will be met in a similar manner or, if application of the criteria of principles 7 and 8 hereof should so require, by water stored in Lake Mead.

5. The United States will make a fair allowance for any deficiency, computed by the method herein set forth, in firm energy generation at Hoover powerplant. For each operating year deficiency in firm energy shall be computed as the difference between firm energy which, assuming an overall efficiency of 83 percent, would have been generated and delivered at transmission voltage at Hoover powerplant in that year if water had not been impounded in the reservoirs of the Colorado River storage project storage units (Glen Canyon, Flaming Gorge, Navajo, and Curecanti), but excluding the effects of evaporation from the surface of such reservoirs, and the energy actually generated and delivered at transmission voltage at Hoover powerplant during that year adjusted to reflect an overall efficiency of 83 percent. At the discretion of the Secretary, allowance will be accomplished by the United States delivering energy, either at Hoover powerplant or at points acceptable to both the Secretary and the affected Hoover power contractors, or monetarily in an amount equal to the incremental cost of generating substitute energy. To the extent the Upper Colorado River Basin fund is utilized the moneys expended therefrom in accomplishing the allowance, either through the delivery of purchased energy or by direct monetary payments, shall be reimbursed to said fund from the separate fund identified in section 5 of the act of December 21, 1928 (45 Stat. 1057), to the extent such reimbursement is consistent with the expenditures Congress may authorize from said separate fund pursuant to said act. The attached additional regulation No. 1 for generation and sale of power in accordance with the Boulder Canyon Project Adjustment Act, upon issuance, will be made a part of these principles and criteria.

6. In accomplishing the foregoing, Lake Powell will be operated in general accordance with the provisions of principles Nos. 7 and 8.

7. Storage capacity in Lake Powell to elevation 3,490 (6.5 million acre-feet surface storage) shall be obtained at the earliest practicable time in accordance with the following procedure:

"Until elevation 3,490 is first reached, any water stored in Lake Powell shall be available to maintain rated head on Hoover powerplant. When stored water in Lake Powell has reached elevation 3,490, it will not be subject to release or diminution below elevation 3,490. The obtaining of this storage level in Lake Powell will be in such manner as not to cause Lake Mead to be drawn down below elevation 1,123 (14.5 million acre-feet available surface storage), which corresponds to rated head on the Hoover powerplant. In the process of gaining storage to elevation 3,490, the release from Glen Canyon Dam shall not be less than 1 million acre-feet per year and 1,000 cubic feet per second, as long as inflow and storage will permit."

8. The operation of Lake Powell above elevation 3,490 and Lake Mead will be coordinated and integrated so as to produce the greatest practical amount of power and energy. In view of the provision for allowance

set forth in principle 5 hereof, the quantity of water released through each powerplant will be determined by the Secretary in a manner appropriate to meet the filling criteria.

9. In general, it is not anticipated that secondary energy will be generated at Hoover during the filling period. However, any secondary energy, as defined in the Hoover contracts, which may be generated and delivered at transmission voltage at Hoover powerplant will be disposed of under the terms of such contracts.

10. In the annual application of the flood control regulations to the operation of Lake Mead, recognition shall be given to available capacity in upstream reservoirs.

STEWART L. UDALL,
Secretary of the Interior.

Mr. CANNON. Mr. Chairman, I yield such time as he may require to the gentleman from West Virginia [Mr. BAILEY].

Mr. BAILEY. Mr. Chairman, I asked for this 1 minute's time from the distinguished chairman of the Appropriations Committee to get information about an item in 12900.

When I appeared before the committee in the hearings I requested that a small amount of money be appropriated, and I want to clarify that for the information of my colleagues.

I am not asking for free facilities on the Little Kanawha River. The Army Engineers want to survey three separate places in an effort to determine the feasibility of where they will build the one facility.

I also asked that \$30,000 be included for a restudy of the Stonewall Jackson Reservoir on the West Fork of the Monongahela River in West Virginia. I would like to ask the chairman if these items are included in the bill.

Mr. CANNON. Mr. Chairman, the committee always accepts any suggestion from the gentleman from West Virginia with an open mind. That is true in this case. We have taken care of all these items that are authorized.

Mr. BAILEY. And the \$65,000 item?

Mr. CANNON. Yes. Ample provision has been made to take care of it.

Mr. BAILEY. We thank the gentleman for his answer and also thank the committee for the fine job they did on this bill.

Mr. CANNON. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. EVINS].

(Mr. EVINS asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. EVINS. Mr. Chairman, the public works appropriation bill for 1963 is one of the most important of the appropriation bills annually considered by the Congress.

The bill provides for the continued development of our Nation's resources and for the overall growth and strengthening of the United States.

The bill includes funds for the civil works functions of the Corps of Engineers, the Bureau of Reclamation of the Department of Interior, the Atomic Energy Commission, the Tennessee Valley Authority, and the several public power agencies, including the Bonneville Power Administration, the Southeastern Power Administration, and the Southwestern Power Administration.

Our committee has done a monumental job in bringing this bill to the floor of the House and I want to take advantage of this opportunity to pay a tribute to the distinguished chairman of our committee, the gentleman from Missouri [Mr. CANNON], the great chairman of the Committee on Appropriations. The gentleman from Missouri, Chairman CANNON, has personally carried on these hearings and labored for several months hearing the testimony of the hundreds of witnesses, which resulted in the recommendations contained in this bill. His broad knowledge and his great experience, his vast wisdom and fairness and objectivity have as always proven invaluable.

I deem it a great privilege to serve on this committee with the gentleman from Missouri, Chairman CANNON, and also with the other members of our committee, including the gentleman from Ohio [Mr. KIRWAN], the gentleman from Rhode Island [Mr. FOGARTY], the gentleman from Massachusetts [Mr. BOLAND], the gentleman from Washington [Mr. MAGNUSON], the gentleman from Mississippi [Mr. WHITTEN], the gentleman from Iowa [Mr. JENSEN], the gentleman from New York [Mr. TABER], the gentleman from Minnesota [Mr. ANDERSEN], and the gentleman from New York [Mr. PILLION].

The two very capable and diligent members of our subcommittee staff, Carson Culp and Gene Wilhelm, also should be commended publicly for their valuable assistance throughout the hearings and in the handling of the details and the much work performed in getting this bill to the floor.

Appropriations carried in this bill total \$4,613,879,000. This is \$672,851,920 more than was appropriated for the fiscal year 1962—but \$131,524,100 less than the budget recommendations.

The budget estimates included a proposal for 39 new construction starts for the Corps of Engineers and 2 new starts for the Bureau of Reclamation. Our committee has added 12 additional projects for the Corps of Engineers, making a total of 51 new construction starts. The bill provides also for 28 new planning starts by the Corps of Engineers, which will provide vast benefits for our Nation.

Funds are provided in this bill to bring 36 projects to completion which will have a total net value of \$511 million.

The 51 new construction starts, provided for in this bill, when completed, will have an estimated total value of \$715 million.

The total construction program of the Corps of Engineers for next year is some \$15 million less than requested in the budget.

Certainly the appropriations provided in this bill represent a large sum of money but the funds also represent a capital investment in America—an investment which will strengthen our country and improve our Nation through the prevention of floods, through the reclamation of vast wastelands, through improved waterways, through increased use of our water resources, to generate electricity, the promotion of navigation, and through the development of atomic

energy for peaceful purposes and for defense.

The primary purpose of this bill is to provide funds for great public works projects for our Nation. However, our country will receive benefits not only from the projects to be built, through the appropriations provided in this bill, but there is also a very valuable additional benefit—that of providing increased employment throughout the country. That is only a side effect but an important additional benefit and one that will mean much to our country at this time.

Every region and every section of the Nation will share in the projects included in this bill.

This is a bill with a truly national point of view—one which recognizes the needs of every area of our country and the different types of projects needed in the various regions of our country.

This is an all-American bill benefitting every region and every section of our country. It is truly national in scope. With the approval of this measure we will be building up the productive capacity of this Nation and strengthening our country.

CORPS OF ENGINEERS

For carrying out all the civil works activities of the Corps of Engineers, this bill provides total appropriations of \$1,006,561,900.

The bill provides for 28 new planning starts and 51 new construction starts—which will provide vast benefits to our Nation. Funds are provided to bring 36 projects to completion which will have a total net value of \$511 million. The 51 new construction starts provided for in this bill, when completed, will have an estimated total Federal cost of \$706,700,000.

A total of \$762,361,000 is included for the overall construction program of the Corps of Engineers. This is some \$15 million less than requested in the budget.

A total of 246 authorized surveys are funded to provide an orderly program of public works.

The work and accomplishments of the Corps of Engineers represent some of our Nation's greatest developments and the funds carried in this bill will enable the Corps to move forward with these vital projects across the Nation.

BUREAU OF RECLAMATION

This bill provides total appropriations of \$325,308,000 for the Bureau of Reclamation to carry on its reclamation programs during fiscal 1963. This is an increase of some \$50 million over the appropriations for last year and a reduction of some \$15 million from the budget requests.

These funds provide for two new construction starts by the Bureau of Reclamation during fiscal year 1963. Adequate funds are included to carry forward the important Colorado River storage project—that great new addition to the Nation's hydroelectric system which will serve a marketing area primarily in Arizona, New Mexico, Colorado, Utah, and Wyoming. The Flam-

ing Gorge unit of the Colorado storage project is nearing completion and the first power is expected to be produced at this facility during this fiscal year.

The Glen Canyon project is also moving ahead and power production is planned on this unit to begin in 1964.

TENNESSEE VALLEY AUTHORITY

The bill carries total appropriations for the Tennessee Valley Authority of \$35,071,000 which sum is some \$3,132,000 less than the amount appropriated for the TVA for 1962.

Mr. Chairman, it should be pointed out that there is no appropriation of funds carried in this bill for the power program of the TVA. Instead, the TVA budget provides for payments to the Treasury of \$50 million or more from power proceeds to apply as a return on appropriations earlier invested in the power program. Payments from the TVA into the Treasury to date total \$438,133,337—a great return on the investment in the TVA. The TVA is well ahead of its schedule of repayments into the Treasury.

Appropriated funds go to carry on the other valuable programs of the TVA. These include flood control, the improvement of navigation, conservation, and reforestation programs, the fertilizer program and other conservation and development programs of the TVA.

The TVA is moving forward and is making valuable contributions in the overall resource development of the area—in line with the original purpose of the TVA Act.

The Tennessee Valley Authority, in order to meet the needs of the entire valley area, created the Office of Tributary Area Development in order to advance economic development of small tributary areas of the Tennessee Valley. The watersheds of these tributaries are very important to the development of the Tennessee Valley area.

Since the passage of the TVA Act, it has been recognized that the authority and responsibility of the TVA extend not only to the Tennessee River but to all the streams and tributaries in the TVA area. The TVA Act again and again states that the agency very definitely has a responsibility throughout the valley area in this field. Section XXII of the act states:

To aid further the proper use, conservation, and development of the natural resources of the Tennessee River Drainage Basin and of such adjoining territories as may be related or materially affected by the development, consequent to this Act.

Sections 1 and 4(j) also provide authority for the watershed program.

Flood control cannot be made effective unless adequate steps are taken along the tributaries of our major streams. The work of the Office of Tributary Area Development is designed to further this objective.

The TVA has a responsibility of providing technical assistance in connection with the planning of the overall development of the valley area. The agency has given and is giving valuable assistance to local groups who have organized

to cooperate with State and local governments, to prevent floods and promote the development of the area—along the tributaries of the Tennessee River.

The Beech River Watershed Development Authority is a local agency chartered by the State of Tennessee for the development of the Beech River watershed. This local agency will repay those costs of the development program which may not be allocated to flood control.

The Beech River development program is a typical TVA approach to tributary development. This plan, as do the other plans which TVA contemplates, depends upon acceptance by local authorities of local cost sharing and local assumption of the responsibility of management and of care of the system before the planning is initiated.

The total cost of the Beech River project will be \$6 million, of which local interest will repay \$2 million. In addition to the \$2 million which will be returned to the Treasury, it is important to note that local interests have already contributed the equivalent of approximately \$3 million in land treatment work of the type which would be required under the regular soil conservation, watershed improvement program. The cost benefit ratio of this project is 2 to 1. Two dollars will be returned into the Treasury for every dollar invested.

Mr. Chairman, we have made great strides in the Tennessee Valley since 1933. The major dams needed on the Tennessee River itself have been built and are now in operation. These dams result in the savings of millions of dollars each year through flood control alone. However, the job is not complete. We must not fail to provide for the adequate development of the tributaries of the Tennessee River.

There is much local interest in the program and there is adequate legal authority and precedent for its continuation. The tributary development work is an important and vital part of the future operations of the TVA.

There is no duplication of work in this area by the TVA and the Soil Conservation Service. In fact, a spirit of splendid cooperation exists.

The report of our committee calls for full cooperation between the TVA and the Soil Conservation Service—and I read from our report:

Within the budget estimate which has been allowed there is an item of \$2,500,000 for the tributary area development program in the Beech River area. The committee directs that local contribution arrangements be made as nearly comparable as practicable to the requirements placed on regular soil conservation service watershed treatment projects, particularly with respect to those contributions required in advance of Federal construction and other expenditures. It also directs that in the accomplishment of this program, nothing be done which would interfere with the regular soil conservation service program in the Tennessee Valley area. It expects full cooperation between the Soil Conservation Service and the TVA wherever their interests and abilities coincide in execution of the tributary area development projects.

U.S. DEPARTMENT OF AGRICULTURE,
SOIL CONSERVATION SERVICE,
Washington, D.C., August 15, 1962.

Hon. JOE L. EVINS,
House of Representatives.

DEAR MR. EVINS: This is in response to your question about related programs of the Soil Conservation Service and the Tennessee Valley Authority.

We are glad to report that good cooperation exists on soil conservation work in soil conservation districts. There was a time in the past when this presented a problem, but the favorable experiences of working relationships have essentially erased this problem.

No doubt your question arises from the fact that TVA is just now proposing to initiate a small watershed program. This interest is quite understandable in view of the widespread successes and contributions from watershed projects initiated under authority of the Watershed Protection and Flood Prevention Act (Public Law 566). The launching of such an endeavor by TVA does raise a question of what standards, procedures, economic criteria, and cost-sharing requirements they propose to use in comparison to such provisions under authority of Public Law 566. It would seem reasonable that standards would be as comparable as practicable.

The Soil Conservation Service stands ready to coordinate the nationwide watershed program with any program Congress may authorize for the TVA area. We have followed the policy that any watershed community in

any State can make application and receive assistance under authority of Public Law 566.

We appreciate your interest in these relationships and shall be glad to provide additional information at any time.

Sincerely yours,

GLADWIN YOUNG,
Acting Administrator.

ATOMIC ENERGY COMMISSION

Mr. Chairman, the major portion of this appropriation—indeed the largest funded amount in this bill—goes to the Atomic Energy Commission, whose important work is concerned with the development of atomic energy for peaceful purposes as well as for defense.

For the Atomic Energy Commission we are recommending an appropriation of \$3,122,819,000. This is some \$572,458,000 more than the appropriation for 1962 but a reduction of \$98,114,000 from the 1963 budget request.

A breakdown of these figures show an appropriation of \$2,860,974,000 for operating expenses and \$261,845,000 for facilities and construction.

This is a reduction of \$27,614,000 and \$70,500,000 respectfully for these purposes—for AEC—a total reduction and cut of \$98,114,000 from the budget recommendation for 1963.

The breakdown for operating expenses follows:

Program	Budget estimate	Allocation	Reduction
Raw materials.....	\$500,585,000	\$497,000,000	—\$3,585,000
Special nuclear materials.....	537,300,000	534,000,000	—3,300,000
Weapons program.....	797,010,000	797,010,000	—
Reactor development program.....	503,745,000	495,628,000	—8,117,000
Physical research program.....	216,000,000	206,000,000	—10,000,000
Biology and medicine.....	71,353,000	71,353,000	—
Training education, and information.....	15,165,000	14,815,000	—350,000
Isotopes development.....	7,462,000	7,100,000	—362,000
Civilian application of nuclear explosives.....	10,050,000	9,650,000	—400,000
Community program.....	9,114,000	9,114,000	—
Program direction and administration.....	64,111,000	62,611,000	—1,500,000
Security investigations.....	6,019,000	6,019,000	—
Other costs.....	4,100,000	4,100,000	—
Selected resources.....	173,274,000	173,274,000	—
Revenues received from non-Federal sources.....	—26,700,000	—26,700,000	—
Total.....	2,888,588,000	2,860,974,000	—27,614,000

A breakdown of the funds provided for facilities and construction follows:

Program	Budget estimate	Allocation	Reduction
Special nuclear materials.....	\$85,605,000	\$81,605,000	—\$4,000,000
Weapons program.....	56,585,000	51,085,000	—5,500,000
Reactor development program.....	77,950,000	77,450,000	—500,000
Physical research.....	132,200,000	71,700,000	—60,500,000
Other items.....	7,505,000	7,505,000	—
Less unobligated balance brought forward.....	—27,500,000	—27,500,000	—
Total.....	332,345,000	261,845,000	—70,500,000

The work of the Atomic Energy Commission each year becomes increasingly more important as the AEC develops additional, practical uses of atomic energy. We have provided the full budgeted amount for the weapons program for the Atomic Energy Commission.

We have made some significant reductions in the reactor development program because the committee feels that this Commission is not proceeding as rapidly as desired in the development of electricity by atomic energy for commercial purposes.

With appropriations provided, this Commission will be able to move

forward with its important nuclear programs as well as the other vital and complex programs of the Atomic Energy Commission.

OTHER POWER PROGRAMS

An appropriation of \$42,513,000 is recommended for the Bonneville Power Administration. The sum of \$8,660,000 is provided for the Southwestern Power Administration and the budget request of \$800,000 is provided for the Southwestern Power Administration.

SUMMARY

In summary, Mr. Chairman, this bill provides some substantial reductions but

the necessary appropriations for the operation of some of our Nation's most important agencies.

The Atomic Energy Commission serves as an agency of defense for our country and the Corps of Engineers—TVA, Bonneville and the Bureau of Reclamation—also promotes and strengthens our Nation.

This is a vital bill and, as recommended by the committee, is worthy of passage. I urge its passage.

The CHAIRMAN. The time of the gentleman from Missouri [Mr. CANNON] has expired.

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from Minnesota [Mr. NELSEN].

(Mr. NELSEN asked and was given permission to revise and extend his remarks.)

Mr. NELSEN. Mr. Chairman, I wish to commend the committee for the obviously fine job that has been done, and I want to particularly compliment my colleague, the gentleman from Iowa [Mr. JENSEN] for the fine work that the gentleman has done with reference to the soil conservation and water conservation programs over a period of many years. I know, Mr. Chairman, that our colleagues join with me in expressing appreciation to the gentleman from Iowa because this is a constructive, long-range program in the interest of our country and of our agriculture. I wish to thank the gentleman very much for the efforts which the gentleman has put forth in this program.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, I yield 1 minute to the gentleman from Missouri [Mr. CANNON].

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from Massachusetts.

(Mr. BOLAND asked and was given permission to revise and extend his remarks.)

Mr. BOLAND. Mr. Chairman, the public works appropriation bill now before the committee calls for the appropriation of \$4,613,807,900. This figure represents a cut of \$131,525,100 from the original estimates submitted to our Appropriation Subcommittee.

I have stated before, Mr. Chairman, this bill is designed to build America. The money that is spent on the programs and projects that are recommended in the proposal we are now considering will help to conserve our resources, protect property and save lives.

Mr. Chairman, since joining this important subcommittee 8 years ago, it has been my constant concern and interest to insure that the flood control programs of the Corps of Engineers and the Bureau of Reclamation be activated and pursued to rapid completion as quickly as possible. This committee and the Congress have joined in this desire and all over the United States, projects have been completed and are underway that seek to accomplish this end.

Mr. Chairman, I am happy that the flood control program for New England has moved ahead with speed and effec-

tiveness. I take pride in the part that I have played to guarantee an adequate flood control protection for the New England area. Great and important strides have been made these past 8 years to give protection to the lives and property of the people of this locality from the terrible ravages of flooding and savage waters. Yes, indeed, we have come a long way since the U.S. Government made it a policy of national import in 1936 to assist the States and local communities in public works projects constructed to control the rivers, streams, and harbors.

GROUND-BREAKING FOR LITTLEVILLE RESERVOIR

Mr. Chairman, last Friday, August 10, 1962, I participated in the groundbreaking ceremonies for Littleville Dam and Reservoir located on the Middle Branch of the Westfield River—a tributary of the great Connecticut River Basin.

Mr. Chairman, I filed H.R. 94 back in the 85th Congress on January 3, 1957, to bring this project into existence. It was authorized in the 1958 Flood Control Act and money was soon appropriated to commence planning.

The Littleville Dam is unique in that it is the first flood control dam in New England that is designed for use in flood control and as a future supplement to the regional water supply.

The dam will be 1,360 feet long and 164 feet high. It will be of earth and rock fill construction with a chute spillway located in a rock cut on the left bank with a 400-foot curved concrete weir constructed adjacent to the left abutment of the dam. A 935-foot-long dike will also be constructed and will be connected with the east end of the dam by a bridge across the spillway channel. The access road to the dam will be built on top of the dike and entrance will be affected from Goss Hill Road.

There will be two distinctly different reservoir outlets built into the dam. One outlet will be a cut-and-cover conduit with a control tower on the upstream toe of the dam located near the streambed and will be used for diversion, downstream low flow control and future water supply. The other outlet, for flood control, will be a tunnel and gate control shaft constructed high on the left bank to control flood water storage. It will discharge into the spillway channel. A combined utility building and garage will be constructed near the spillway and access road on the left bank. This building will include office, storage, workshops and garage facilities and a comfort station for public use. It is expected that three construction seasons will be needed to complete the entire project at an approximate cost of \$7 million.

The Littleville Reservoir will be regulated in conjunction with the Knightville Reservoir to control floodflows on the Westfield River. In addition the reservoir will be operated in combination with other reservoirs in the Connecticut River Basin, for regulation of flows in the lower Connecticut River. The dam will be operated for flood control only until such time as the city of Springfield needs an additional water supply, possibly 15 years from now. During this

period a permanent pool will be maintained to enhance public use and recreation at the level of the future water supply pool. The recreational uses of the reservoir, watershed and tributaries shall be permitted until such time as Springfield begins to use the water for municipal water purposes at which time the State Department of Public Health may promulgate rules and regulations for the water supply. The Corps of Engineers will develop two areas for picnicking and boat launching facilities.

Floods will be controlled by utilizing the capacity of the reservoir above the level of the permanent pool and by operation of the flood control gates. There will be no change in the method of flood regulation when the water supply is utilized.

Mr. Chairman, I include with my remarks the program of the ceremonies at the Littleville ground breaking:

PROGRAM OF GROUND-BREAKING CEREMONIES AT LITTLEVILLE DAM AND RESERVOIR, MIDDLE BRANCH, WESTFIELD RIVER, HUNTINGTON AND CHESTER, MASS., AUGUST 10, 1962, 10 A.M.

National anthem: U.S. Army Band, Fort Devens; CWO Gerald M. Clapper, director.

Master of ceremonies: Alban J. Parker, chairman, Connecticut River Valley Flood Control Commission.

Invocation: Rev. Alva J. Rhines, pastor, First Congregational Church, Norwich Hill.

Welcome: Charles S. Daniels, chairman, Chester Board of Selectmen; and Hans Schott, chairman, Huntington Board of Selectmen.

(Introduction of guests.)

REMARKS

Laurence W. Shattuck, president, Connecticut River Watershed Council.

Richard D. Carmel, president, Westfield River Watershed Association.

Mayor John D. O'Connor, of Westfield.

Walter G. White, chairman, New Hampshire Water Resources Board, representing Gov. Wesley Powell.

Leonard J. Collamore, administrative aid to Mayor Charles V. Ryan, Jr., Springfield.

Richard Martin, general manager, Manchester, Conn., representing Gov. John Dempsey.

ADDRESS

Brig. Gen. Seymour A. Potter, Jr., Division Engineer, U.S. Army Engineer Division, New England Corps of Engineers.

ADDRESSES

Congressman SILVIO O. CONTE, of Massachusetts.

Congressman EDWARD P. BOLAND, of Massachusetts.

(Ground-breaking ceremony.)

Benediction: Rev. Joseph F. Gagan, pastor, St. Thomas Church, Huntington.

(Closing selection: U.S. Army Band.)

NEW ENGLAND FLOOD CONTROL PROJECTS

Mr. Chairman, since the 1955 floods in New England, the Corps of Engineers have placed in operation 18 flood control projects, have construction underway on 7 flood control projects and have preconstruction planning underway on 11 flood control projects of which the fiscal year 1963 budget includes funds for initiation of construction for 3 projects. There are three active authorized flood control projects on which preconstruction planning work has not been started.

These 39 projects have a total estimated Federal cost of \$193,296,000 and \$120,257,000 has been appropriated to

date and \$14,285,000 is included in the fiscal year 1963 budget now before the Congress.

Mr. Chairman, during consideration of this bill, testimony of the Corps of Engineers of the New England division indicated that there were capabilities for the use of appropriations greater than anticipated for a number of flood control projects in the New England area. I am happy to state that the committee has made these adjustments. Specifically, with reference to the Connecticut River Basin, it was pointed out that the Corps of Engineers could utilize \$300,000 more than originally requested so that amount was increased from \$1.9 million to \$2.2 million.

Planning would be completed with the \$50,000 asked for the local protection works in Three Rivers and the engineers indicated that they could move into the construction phase of this project in fiscal year 1963. I requested and the committee approved an additional \$300,000 to commence construction in this fiscal year.

Mr. JENSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois [Mr. FINDLEY].

(Mr. FINDLEY asked and was given permission to revise and extend his remarks.)

Mr. FINDLEY. Mr. Chairman, I wish to thank the Appropriations Committee for granting a request I made to committee members on June 5. I appreciate this consideration very much. I appreciate especially the cooperation given by the gentleman from Iowa [Mr. JENSEN].

My request was that prior non-Federal expenditures be considered in computing the 20-percent non-Federal participation required for public works under a policy established last year by the Appropriations Committee.

The 20th Congressional District of Illinois has for many years participated in projects designed to alleviate the continued threat of flooding. Work has been undertaken for over 90 years, some dating back as far as 1870. The great share of this early construction was undertaken on a non-Federal basis. In view of this, it was logical consideration of previous, non-Federal expenditures by drainage districts be given in the computation of the 20-percent requirement of non-Federal participation on public works projects.

In the 20th Congressional District, three drainage districts were affected by the 20-percent construction cost participation recommendation. Had my request not been granted, these districts which have patiently waited their turn for planning and construction would have been penalized.

These drainage districts originally constructed their own levees, drainage ditches, pumping plants and other projects at their own expense. Subsequently, the levees have been improved with Federal assistance under various flood control acts.

The committee thus makes a proper distinction between these old, well-established districts and new projects.

These drainage districts are old, existing, duly organized governmental units. They are supported by taxes against the lands within each district. They are self-contained agricultural areas of great import to our national economy. Further, it should be indicated, these districts have no source of revenue other than taxes placed upon the lands within each district.

All advantage does not accrue to the citizens living in these three districts. For example, the levees assist in the operation and maintenance of the 9-foot channel on the Mississippi river. Some of the lock and dam closures tie into existing levees.

The expenditures of non-Federal moneys since 1870 by the Sny Levee Drainage District, the Indian Grave Drainage District, and the South Quincy Drainage District totals \$9,105,000. Federal participation in these same three projects has amounted to \$15,760,000. These three districts have already matched Federal expenditures at a 60-percent rate. If the inflationary trend since the period 1870-1915 is taken into consideration, there is no doubt but that the non-Federal contributions would be far in excess of this proportion.

To itemize further and to clarify the significance of these figures I would like to provide a more detailed breakdown in the three districts mentioned.

[In thousands of dollars]

District	Federal costs	Non-Federal costs
Sny Island District:		
Main stem levee.....	8,900	212
Construction since 1870.....	None	2,375
Operation and maintenance to date.....	None	2,885
Total.....	8,900	5,472
Indian Grave District:		
Main stem levee.....	5,700	106
Construction since 1880.....	None	1,482
Operation and maintenance to date.....	None	1,027
Total.....	5,700	2,615
South Quincy District:		
Main stem levee.....	1,160	29
Construction since 1913.....	None	275
Operation and maintenance to date.....	None	464
New pumping plant to be constructed in conjunction with levee improvement project.....		250
Total.....	1,160	1,018
Total all 3 districts.....	15,760	9,105

All of these projects have been considered under the same interim report on the "Mississippi River-Guttenberg, Iowa, to Hamburg Bay, Ill."

Mr. JENSEN. Mr. Chairman, I yield such time as he may desire to the gentleman from California [Mr. BALDWIN].

(Mr. BALDWIN asked and was given permission to revise and extend his remarks.)

Mr. BALDWIN. Mr. Chairman, I would like to direct one question to the chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON] if I may.

I have received a number of letters from conservation groups in my district asking what the plans of Congress

might be as to the construction of the protective dam to protect the Rainbow Bridge in connection with the Upper Colorado River project. I would like to ask what plans the committee might have for the allocation of funds for the construction of that protective dam which I understand was authorized in the Upper Colorado River project.

Mr. CANNON. Mr. Chairman, in response to the inquiry of the distinguished gentleman from California [Mr. BALDWIN], I regret to say that this item was not budgeted and that we have turned it down for the third and I trust the last time.

Mr. JENSEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. EVINS].

Mr. LOSER. Mr. Chairman, will the gentleman yield?

Mr. EVINS. I yield to the gentleman from Tennessee.

Mr. LOSER. Mr. Chairman, I want to associate myself with my colleague, the gentleman from Tennessee [Mr. EVINS], in the beautiful tribute that he has paid to the distinguished chairman of the Committee on Appropriations, the gentleman from Missouri [Mr. CANNON], and to his associates on that committee.

Mr. Chairman, I would like to call the committee's attention to the fact that down in Tennessee in the congressional district which is my privilege to represent, my predecessor, the late and lamented Percy Priest, was quite anxious while he was serving in the House of Representatives to have a project started down there in Davidson County. But over the years it has found to be unjustified because the benefit-cost ratio was not satisfactory. However, during the last year the Corps of Engineers found the project justified, and through the help of my good friend, the gentleman from Tennessee [Mr. EVINS], a member of the committee, and his associates, we now have this project approved and this appropriation bill carries in it \$1 million with which to begin construction, as well as \$404,000 with which to finish the planning.

So, Mr. Chairman, I am happy to have had this project approved by this committee, and I want to express my deep appreciation to the members of that committee and especially to my colleague, the gentleman from Tennessee, [Mr. EVINS], for the splendid help they have given me.

Mr. JENSEN. Mr. Chairman, I yield the balance of the time on this side to the gentleman from Florida [Mr. CRAMER].

(Mr. CRAMER asked and was given permission to revise and extend his remarks.)

Mr. CRAMER. Mr. Chairman, I note with a great deal of interest, and I congratulate the committee on its deliberations with regard to this appropriation bill—involves about \$4.6 billion, and would like to comment at this time on a subject matter related to this appropriation bill and public works matters in general. I am deeply disturbed, I say to my colleagues in the House, over the fact that our Public Works Committee

on which I have the privilege of serving, the authorizing committee, is not this year even considering an omnibus authorization bill, particularly in view of the fact that there have been presented to our committee by the proper agency of the Federal Government, the Corps of Army Engineers and others, projects that are feasible and sound, not pork barrel, boondoggle projects, amounting to some \$4 billion, not counting the \$1 billion of additional basin authorization, meaning \$5 billion which is, incidentally, almost as much authorization as presently remains in all public works, civil functions authorizations on the shelf, and is in excess of that amount of on-the-shelf authorizations if you take into consideration the \$6 billion presently on the shelf and not appropriated for, which includes the \$3 billion that have been declared either inactive or deferred.

Mr. Chairman, I say to my colleagues that I think it is completely inexcusable that our authorizing committee should not consider in this session of Congress, an omnibus rivers and harbors authorization bill. There has been one in every session since I have been here. And I say this particularly in view of the fact that the administration has made such a to-do about the need for increased public works authorizations on the blank-check, pork barrel basis, as proposed in the \$900 million accelerated public works proposal.

Here in considering an omnibus public works authorization bill is a way for the Congress of the United States by properly accepting its responsibility to provide for sound, feasible, needed rivers and harbors, flood-control projects throughout the United States of America on a long-range planning basis, which is being completely ignored in this session of Congress. The acceleration bill calls for long-range planning, and Congress is ignoring the necessary authorizations in these fields that must be accomplished before any long-range financing can be accomplished.

And let me say this, I am more disturbed over the fact—and I was informed of this a couple of weeks or so ago—that we were threatened that our Public Works Committee was not going to act on the authorization bill until and unless the \$900 million political pork barrel, boondoggle was brought to the floor of the House for action. That is a pretty poor way to legislate, holding a heavy club over the heads of the Members of this, the highest legislative body in all the world, holding such a heavy club of nonauthorizations, if you do not give the Executive this unlimited authority in this area. I say it is wrong and I hope that our committee will reconsider, particularly in view of the fact that we have supposedly such pockets of unemployment throughout this country that could be affected by public works but only if first authorized by Congress in the area of public works in rivers, harbors, and flood control matters.

Mr. ICHORD of Missouri. Mr. Chairman, I want to take this opportunity to thank the distinguished gentleman from Missouri [Mr. CANNON], chairman of our

great Appropriations Committee, and the members of the Committee on Appropriations, for their consideration of a very worthwhile study project on the Gasconade River in central Missouri. There is included in H.R. 12900 an appropriation of \$15,000 to the Department of the Army, Corps of Engineers, special studies, to initiate a restudy of the Gasconade River Basin in Missouri.

The 1938 Flood Control Act authorized construction of two dams, one near Arlington and one near Richland, both on the Gasconade River, primarily for flood control in the Missouri River Basin. Subsequent to the time of authorization, there have been many important changes and improvements in the area, and new relocation problems now exist. Among the developments is the growth of Fort Leonard Wood near the proposed dams. Due to all these changes the project has been placed in an inactive category pending a restudy to be based on current conditions. This restudy was authorized by resolution of the House Public Works Committee, dated June 12, 1956, but to this date no funds for the restudy have been appropriated.

Although the primary purpose of the Arlington and Richland Dams is for downstream flood control, they would also provide important local benefits. A conservation pool for the use of Fort Leonard Wood is a new benefit that would receive consideration in the restudy, as would the feasibility of developing hydroelectric power.

The population of Pulaski County in which Fort Leonard Wood is located has doubled twice within the last 10 years, and the recreational value of the proposed reservoirs would be very great to these people, many of whom are service personnel and their families.

The development would also be an important factor in stimulating the long-term growth of a primarily rural area in which farm income has been low. The counties which would be most directly affected by the development are Phelps, Laclede, and Pulaski. The recent census of agriculture shows that the average farmer in these three counties sold farm products with a total value of about \$3,210, only a little more than half the State average of \$5,997. If the proposed dams should prove feasible and their construction should take place, it would be a tremendously important thing to these farmers and to other people in the area in giving them added employment opportunities and a chance to raise their standard of living.

I sincerely hope that the restudy initiated by this appropriation will result in the eventual construction of the dams.

Mr. ST. GERMAIN. Mr. Chairman, the measure we are now considering, H.R. 12900, the public works appropriation bill of 1963, is of vital importance to my State of Rhode Island, as I know it is to all those areas which are scheduled to undertake or continue projects under the provisions of the legislation.

Included in this appropriation bill is the sum of \$4 million for the Fox Point hurricane barrier in Providence.

My State has been seriously affected by the loss of human life and property which has resulted from the devastating hurricanes which have hit Rhode Island in recent years. The completion of the Fox Point project would go a long way toward alleviating the misery and hardship which any future such storms would cause.

Also allocated in this bill is the sum of \$300,000 for the lower Woonsocket flood control project which is located in my home city of Woonsocket, R.I.

In 1955 the social district of Woonsocket was inundated by a tragic flood which caused severe personal and financial suffering on the part of a great number of people. In an appearance before the Subcommittee on Public Works of the House Appropriations Committee on June 13 of last year, I strongly urged that the appropriation for the preconstruction planning phase of the project be increased from \$130,000 to \$300,000. We were successful in having the amount raised to \$270,000, and now, additional funds of \$300,000 have been set aside for the construction phase. The approval of these funds would make possible the continuation of this project which would provide protection and peace of mind for thousands of people.

Rhode Island would also benefit in this measure from the allocation of \$6,000 for completion of the navigation study of the Providence River Channel and \$810,000 for the Point Judith Harbor breakwater, another project of great importance in the program of guarding against the hazards of hurricane destruction.

Mr. Chairman, I shall vote for H.R. 12900, because of the needed benefits it will give Rhode Island and other deserving areas of this Nation. I urge my colleagues to do likewise.

Mr. EDMONDSON. Mr. Chairman, no bill considered by this Congress is more vital to the long-range, internal growth and progress of America than the measure, H.R. 12900.

Within its terms and provisions will be found the insurance of our Nation's future water supply, the instrument for the continued development of our waterborne commerce, and the guarantee of security from flood damage for millions of Americans.

Oklahoma was benefited greatly from the generous and statesmanlike consideration which this great committee and the Congress have extended to our severe flood problems and to the wise provisions recommended by the Army Engineers and the Bureau of Reclamation to meet those problems.

We now look forward with high hopes and deep appreciation to that glorious day—now only a few years away—when our State will know once again the splendid opportunities and benefits of water transportation, along the Nation's greatest unused waterway today, the Arkansas River.

I strongly support H.R. 12900 and urge its overwhelming approval.

Mr. ASHBROOK. Mr. Chairman, the people of the 17th Ohio District are vitally interested in the matter of ad-

equating flood protection, having been the victims of the devastating flood destruction which occurred in January 1959. I would venture to say that our district and particularly the Mount Vernon area is very disturbed that we have not been able to get the program off of dead center due to the fact that the Public Works Committee has not yet conducted hearings on the flood control projects and other public works measures throughout the country. I will not say that politics has necessarily been involved but the entire authorization bill seems to have been left in the wings waiting while new actors are brought out on the stage. In this instance, the new act involved takes the form of the so-called Public Works Acceleration and Coordination Act which would give the President authority to disperse public works projects throughout the country where he wants them and when he wants them. I feel this is an irresponsible approach and we in Congress should not grant this requested authority. It is far better to legislate in the responsible manner in which we have committee hearings by the Public Works Committee and regular appropriations by the Appropriations Committee which will assure that projects are handled according to their merit and not their political appeal.

I mentioned the Mount Vernon area before, and I did so because the Kokosing project in Knox County of my district is the only one of our several projects which has reached the stage where it can be authorized by this Congress. The other projects are still under study by the Corps of Engineers. We are at the point where a 2-year delay is possible unless this Congress votes an authorization bill. It is impossible to amend this bill before us today since the project has not received prior congressional authorization and the amendment would be subject to a point of order. There has been, in fact, no opportunity to advance the Kokosing project in this session of Congress despite every effort.

On Wednesday, May 9, 1962, I appeared before the Appropriations Subcommittee with a group of Knox County citizens to present the need for expeditious action on the Kokosing project. We did so to highlight the need for an immediate start in this vital flood control endeavor. The committee respectfully heard us but was not able to grant our request because the project is as yet unauthorized. I think the hearings present a good thumbnail brief for our argument and I want to bring them to the attention of the Members of this House. Under unanimous consent, I include the hearings at this point in the RECORD:

FLOOD CONTROL, KOKOSING RIVER BASIN, OHIO

(Witnesses: Hon. John M. Ashbrook, a Representative in Congress from the State of Ohio; Howard Hollinger, president, Mount Vernon Area Chamber of Commerce; Mark Kinney, president, city council, Mount Vernon, Ohio; Richard L. Moffitt, city engineer, Mount Vernon, Ohio; Lynn Thuma, Knox County, Ohio; Norman Bland, chairman, Finance Committee, Mount Vernon City Council.)

Mr. CANNON. We are glad to have you with us, Congressman ASHBROOK.

Mr. ASHBROOK. With your permission, Mr. Chairman, I will file my statement.

Mr. CANNON. It will be included in the record.

(The statement follows):

"STATEMENT OF HON. JOHN M. ASHBROOK,
OF OHIO

"Mr. Chairman and members of this committee, I appreciate your kind consideration in affording me the opportunity to speak in behalf of the citizens of Knox County, Ohio, and the 17th District, who are vitally interested with flood control in the Kokosing River Basin. My appearance, today, is for the purpose of requesting funds for the preconstruction planning of two projects in this river basin. There two projects that the Corps of Engineers report recommends have not yet been authorized by the Congress and, consequently, no funds have been appropriated for advance engineering and design or for construction. It is anticipated they will be authorized this year pursuant to the report transmitted by the Secretary of the Army on August 9, 1961. Our particular problem is that the need is great, as I will demonstrate, but it has been impossible to get the project authorized by Congress since no authorization bill has yet been passed. We earnestly are concerned about a possible 2-year delay.

"Considering the overall capability of the Corps of Engineers for the fiscal year 1963, an amount of \$75,000 could be used to initiate preconstruction planning of the North Branch Kokosing River Reservoir and an amount of \$110,000 could be used to initiate and complete preconstruction planning and construction of the snagging and clearing project on the Kokosing River at Mount Vernon, Ohio. This is based on a report by Maj. Gen. William F. Cassidy in a letter to me on March 7, 1961.

"I limit my remarks to the status of the study of the Kokosing River Basin, but as a matter of information there are at the present time four authorized studies in various stages of completion in my seven-county district. Each of these projects cover flood control and allied purposes, including water supply, pollution abatement and recreation for the following watersheds; Kokosing River, Licking River, Clear Fork, and Rocky Fork, and the Scioto River.

"At the outset, let me remind this committee that the district I am privileged to represent was one of the hardest hit in the January 1959 flood which caused such havoc in many areas of our Nation. The people of this area appreciate the considerate treatment they have already received by this committee in expeditiously appropriating funds for these worthy projects which are so ably administered by the Corps of Engineers. However, without appearing ungrateful, or unappreciative of these fine efforts, I must frankly state that the proposals in the Kokosing project are of the greatest necessity in affording proper flood protection for the citizens in the Kokosing River Basin and for their property.

"Your committee has already received a great amount of testimony regarding the extent of flood damage to this area. The passage of over 3 years, of course, tends to dim the memory of this event and the hardships it imposed on so many of our citizens. The Kokosing and its tributaries in Mount Vernon, Fredericktown, and surrounding rural areas during the January 1959 flood inflicted damages totaling \$5,300,000. The destruction occurred, primarily, to individual private properties and business establishments. This river basin has a serious history of extensive flooding dating as far back as 1932 with the more destructive ones occurring in 1913 and 1959. The January 1959 flood had a water runoff, above Mount Ver-

non, amounting to 5.2 inches which resulted in the highest cresting in history for the Kokosing River Basin. The record demonstrates that flooding is not restricted to any season, but that floods may occur in any month of the year. This recorded history of flood frequency and damages clearly illustrate the urgent need for immediate flood preventive measures.

"The city of Mount Vernon and the village of Fredericktown are the major municipal areas in the river basin where the potential flood hazard is of extreme concern. Rural areas above and below Mount Vernon are also subject to flooding and would substantially benefit from the improvements.

"Following the record 1959 flood the Corps of Engineers conducted a detailed damage survey based on a house-to-house canvass of the flooded areas. All tangible flood damages were placed on a monetary value. Physical damages included direct damages to buildings or parts thereof, and loss or damage to contents. Emergency costs, such as flood fighting, evacuation of families, and emergency restoration of damaged flood protection facilities were estimated conservatively because of the difficulty in estimating the thousands of man-hours donated by the residents of the area. This evidence more than substantiates the above-mentioned damage estimates and realistically illustrates the necessity for funding this program.

"The Corps of Engineers has indicated the necessity of commencing this project as soon as possible, indirectly, by demonstrating the fact that June 1959 Federal costs of the North Branch Reservoir were estimated at \$2,334,000 and by July 1961 these costs had increased by their estimate to \$2,520,000. A substantial cost savings to the taxpayers will be afforded by expeditiously commencing work on this project.

"The intangible damages, those that could not be given any monetary value, are very real and must be recognized. The principal intangible damage that merits discussion is the high probability of loss of life that exists at Mount Vernon in the event of the present levee overtopping at night. There are approximately 650 homes that are located in the flood plains of the Kokosing River behind the existing levee. First floor elevations of these homes vary from 2 to as much as 8 feet below the top of the protective levee. On January 21, 1959, the levee was overtopped early in the afternoon. Actual evacuation of most of the area was not started until after the levee failed, and even at this time was carried out under hazardous conditions. Had the overtopping and subsequent failure of the levee occurred late at night it is highly probable that loss of life by drowning or exposure would have reached disastrous proportions, and also, very probable that movable property evacuation would have proceeded at a much slower rate, thereby increasing the losses.

"At this point I would like to elaborate on a quote taken from the report submitted by the Board of Engineers for Rivers and Harbors:

"'An accurate forecast of the future trend of development for the Kokosing River Basin is extremely difficult to develop. For this reason a conservative approach to this phase of damage and benefit evaluation has been adopted.'

"Even though the Corps of Engineers issued a relatively conservative analysis report, the strategic location of the city of Mount Vernon and the rate of future growth predicted for the Kokosing River Basin and the inevitable extensive expansion in the use of lands in the flood plains, in my opinion, more than vindicate the approval of this project. In fact, the projected future growth of this area in the next 50 years is 100 per cent.

"As has been earlier stated, the Kokosing River Basin has an extensive history of flood problems which naturally has been long recognized by the local residents as evidenced by the efforts put forth, locally, on projects to curb flooding. Following the 1898 flood the people of Mount Vernon constructed a levee system that provided partial protection. This levee was destroyed by the 1913 flood and subsequently was rebuilt. The levee was again overtopped and partially destroyed by the 1959 flood.

"Soon after the 1959 flood, local interest at Fredericktown, Mount Vernon, and affected rural areas throughout the basin again demonstrated their intense interest by working with the Corps of Engineers, U.S. Soil Conservation Service, Ohio Department of Natural Resources, and the Muskingum Watershed Conservancy District in designing and promoting concrete actions for attacking the flood menace. As a result of these fine efforts and extensive studies by the Corps of Engineers two separate and distinct plans were selected and recommended to make up the project plan for the Kokosing River Basin. This combination of projects, the North Branch Reservoir and the snagging and clearing of the Kokosing at Mount Vernon, will have widespread benefits throughout the most densely populated reaches of the basin. The two plans will, respectively, provide virtually complete protection at Fredericktown and would prevent overtopping of the existing levee at Mount Vernon on the basis of the record January 1959 flood and will virtually eliminate damages from all floods having an estimated frequency of recurrence in the order of 100 years.

"In addition, the construction of the proposed North Branch project will greatly enhance the net flood control in the Mohawk Reservoir which is a key link in the 14 reservoir Muskingum River Reservoir system.

"Both the North Branch Reservoir and the snagging and clearing project at Mount Vernon show a favorable justification. Based on an incremental analysis, the two projects together have a favorable overall benefit-cost ratio of 1.3 to 1. Even though the snagging and clearing project at Mount Vernon has a higher benefit-cost ratio than the North Branch Reservoir, it is not recommended that the Mount Vernon project precede the North Branch Reservoir since it would create a false sense of security among the citizens of Mount Vernon.

"The U.S. Fish and Wildlife Service reports that the proposed projects would have no significant effect on the fish and wildlife resources in the Kokosing River Basin.

"The U.S. Public Health Service investigated the need for water supply and pollution abatement and reported that there will be no need for such storage in the foreseeable future.

"In conclusion, I would like to say that I concur with the Corps of Engineers recommendations that the comprehensive plan for flood control and other purposes in the Ohio River Basin be modified to include the North Reservoir on the North Branch of the Kokosing River at the estimated cost of \$2,520,000 and that the clearing and snagging project on the Kokosing River at Mount Vernon be adopted at the estimated cost of \$104,000. I sincerely urge that this committee approve this request so that the future of the citizens of the Kokosing River Basin can be secure from floods that have plagued them with damages amounting to millions of dollars over a short period of years."

Mr. CANNON. Mr. Hollinger.

STATEMENT OF MR. HOWARD HOLLINGER

Mr. HOLLINGER. Thank you very much.

Mr. Chairman and members of the committee, I am Howard Hollinger, president of the Mount Vernon Area Chamber of Com-

merce. I would like to point out to the committee the economic loss that was suffered in just one area, which was that of damage to our local industry. For example, the Continental Can Co. of Mount Vernon suffered three-quarters of a million dollars in damage and the Cooper-Bessemer Corp., \$370,000. These figures only represent the tangible losses and do not include the many intangibles. A great amount of community effort is directed to retaining our present industry as well as acquiring new industry. Removal of the flood threat for our existing industry would be of great service in stabilizing and perhaps increasing the employment force in our county.

In behalf of the Kokosing Watershed Committee, I would like permission to file this prepared statement which gives more details about the whole problem.

Thank you very kindly.

Mr. CANNON. It will be included in the record.

(The prepared statement referred to follows:)

"STATEMENT OF THE KOKOSING WATERSHED COMMITTEE OF MOUNT VERNON, KNOX COUNTY, OHIO

"Mr. Chairman and members of the Committee, the following statement is presented as evidence of the public need for continuation of the Kokosing River watershed program through preplanning of the last and largest part of the program which would consist of a headwaters dam north of Mount Vernon and snagging and clearing of the river channel in the Mount Vernon area, an area which has experienced 13 costly floods in a 39-year period.

"The flood of January 1959 was the greatest flood on the Kokosing River since 1881. Estimated damage to the watershed was \$5,350,450 in tangible losses of which \$4,854,300 occurred at Mount Vernon. Intangible losses would be very difficult to calculate but were heavy.

"In consideration of the work which has been performed on this project by the U.S. Army Corps of Engineers, and work done by city and county to fulfill local responsibilities, and with the pressing thought in mind of the ever possible recurrence of another flood, the Kokosing Watershed Committee respectfully requests and petitions your committee to approve the request for \$200,000 appropriation with which to proceed with preplanning for the last and largest part of the program.

"The Kokosing River watershed

"The Kokosing River is in the Muskingum watershed district, an area which has led the country for years in flood control. Being at the northwest end of the district, Mount Vernon and Knox County have not received the extensive control methods such as used in the Dillon Dam at Zanesville, Ohio. The Kokosing watershed area is 482 square miles; population of 37,346. The topography of the area is flat to hilly and much of the land is used for agriculture. Mount Vernon is the county seat of the area and is industrialized. Population of Mount Vernon is 13,238 with a metropolitan area of 16,000.

"Floods in 39 years of record

"There is a great need for protection from floods in the Kokosing River watershed and evidence of this is provided by records kept at the gaging station on the Kokosing River at Millwood, about 19 miles downstream from Mount Vernon. Millwood is used, rather than Mount Vernon, because the record is much longer than the station at Mount Vernon can supply. The 15-foot flood stage was exceeded 13 times in 39 years of record. Occurrence of floods was erratic. Mount Vernon is in an area where floods can occur any time of the year. Some occurred on the average of three per decade—only one was experienced in some decades, whereas

five occurred during the period 1932-41 and also during the period 1940-49. This erratic occurrence is of much concern to those who have suffered in the terrible flood of 1959. The flood of 1959 produced a peak flow of 38,000 cubic feet per second at Mount Vernon with a gage reading of 18.19 feet while the 1913 flood is estimated at 27,000 cubic feet per second with a gage reading of 17.3 feet.

"Damage caused by the flood

"Mount Vernon suffered the worst flood in its history when the levee along the Kokosing River gave way after being overtopped, and water quickly reached a depth of as much as 8 to 10 feet in parts of a large residential and business area. Nearly one-third of the city was flooded. The Continental Can Co. was reported to have suffered very heavy damage along with other local industries. A mass evacuation of over 1,000 homes was required. The fact that the flood occurred during the daytime hours, with 2 hours' notice given the public by radio and firetrucks, was the only factor that saved heavy losses of life and additional damage to cars, furniture, and so forth. Power and water failures added to the disaster. The approaches to the highway bridge on State Route 3 at the west edge of town were washed out. Only one road into the city was passable, and the flooded area was closed to all unauthorized personnel. National Guard units were sent in to assist the local officials in maintaining order. The floodwaters at Dry Run in the south end of the city also contributed to the flood problems of Mount Vernon.

"At Fredericktown severe flooding of streets and basements was reported in the north section of town. Heavy damage was incurred to rural roads and bridges in the vicinity. The percentage of roads washed out was high. The bridge over the Kokosing on State Route 95 was damaged. Approaches to a bridge east of Cardington were washed away. Many suburban and rural homes were isolated and suffered damage. Farm fences and farmlands were severely damaged.

"It was difficult to bring together all reports of damages following the flood. Many groups worked together to bring the city and area back to normal and varying reports were received on funds spent and work done. It is known that—

"(a) In addition to homes and contents damaged by the actual floodwaters, many were affected by backing up of sewers and similar problems; 3,500 persons were evacuated from their homes. Extremely low temperatures of around zero added to the problem.

"(b) Industrial damages were high to three major industries and affected all in the city. Much material damage was suffered and, in addition, many manhours were lost, employees' wages, production time, and other intangibles.

"(c) The city of Mount Vernon was placed in a severe financial situation as a result of the flood. City government had an estimated \$75,000 in unplanned expenses over and above funds received in Federal disaster assistance. Much of this cost had to be absorbed, and, as a result, ordinary obligations of the city were cut down to minimum service.

"(d) Electric service was off in the community as a result of the substation being under water. The water supply of the city could not be maintained due to inundation of the city waterworks plant.

"Present protection from flood

"Existing levees do not protect the city and area from another severe flood even though steps have been taken by local officials to strengthen the levees. There is nothing to prevent the same tragic loss as occurred in 1959 and prior years until we

have secured the complete plan for flood protection as proposed by the U.S. Army Corps of Engineers.

"Therefore, we respectfully urge your committee's favorable attention and action to the request as outlined by Congressman JOHN A. ASHBROOK and urge that the requested funds of \$200,000 be made available for preplanning of the final stages of the Kokosing watershed project.

"The threat of another great flood is still with the citizens, the business houses, the industries, of Mount Vernon and Knox County and only continuing action on the part of local persons and of those, such as yourself, and your committee can bring about peace of mind and protection of property to the many people in our area. Your favorable action will be sincerely appreciated by those people.

"Respectfully submitted.

"KOKOSING WATERSHED COMMITTEE,
"JAMES DALLY, Secretary.

"Members of Kokosing Watershed Committee, Mount Vernon-Knox County, Ohio; Morris Fisher, Route No. 1, Bellville, Ohio; Howard Hollinger, Chamber of Commerce, Mount Vernon, Ohio; Wayne Burkhart, Box 268, Mount Vernon, Ohio; Raymond Pophas, Route No. 1, Fredericktown, Ohio; George McConnell, Post Office Building, Mount Vernon, Ohio; Claude James, Route No. 3, Mount Gilead, Ohio; Ed Miller, 1104 West Gambler, Mount Vernon, Ohio; Mark Kinney, West Chestnut Street, Mount Vernon, Ohio; Mayor Harry Bennington, City Hall, Mount Vernon, Ohio; Lynn Thuma, Fredericktown, Ohio; Monroe Boutan, Route No. 2, Mount Vernon, Ohio; James Dally, Chamber of Commerce, Mount Vernon, Ohio; L. L. Rinehart, Route No. 3, Mount Gilead, Ohio; John Phillips, Route No. 2, Fredericktown, Ohio; Carroll Lloyd, Route No. 1, Marengo, Ohio; Richard Moffitt, city engineer, Mount Vernon, Ohio; Norman Bland, 605 Newark Road, Mount Vernon, Ohio; Eugene Grant, Fredericktown, Ohio; Ken Bebout, chairman, County Commissioners, County Court House, Mount Vernon, Ohio; Arthur Gregg, Route No. 1, Bellville, Ohio."

STATEMENT OF MR. MARK KINNEY

Mr. ASHBROOK. At this time I would like to present Mr. Mark Kinney, president of the City Council of Mount Vernon, Ohio, to give you a short summation on the statistics as to how the flood affected the community.

Mr. KINNEY. Mr. Chairman and members of the committee, I am Mark Kinney, president of the City Council of Mount Vernon, Ohio.

The flood of 1959 caused nearly \$5.5 million in tangible property damages in Knox County's Kokosing watershed area. Nearly \$5 million of this loss was suffered by Greater Mount Vernon. Industrial property losses alone were \$2,547,000, and losses in residential property were \$1,083,000.

Approximately 3,500 people were driven from their homes by the flood, some barely escaping with their lives. And the whole productive life of the community was disrupted. The hardships of the flood are vivid in the memories of the people of Mount Vernon, and with every heavy rain they keep a wary eye on the river. Industry, too, keeps the flood factor in mind as they consider plant location and expansion.

Speaking for the people of Mount Vernon, I can say that your favorable action on the proposed Kokosing flood control project will be greatly appreciated.

Mr. HOLLINGER. Mr. Richard Moffitt, our city engineer of Mount Vernon.

Mr. MOFFITT. Mr. Chairman and members of the committee, I am Richard L. Moffitt, city engineer of Mount Vernon, Ohio.

Having been city engineer for the past 15 years, I know from personal experience that it is impossible to completely protect the city of Mount Vernon from future flooding with

walls and levees alone, and that retention of the headwaters plus a certain amount of channel clearing and maintenance of our existing levees is the only solution to our flood problems.

Due to the complexity of the project, and since the benefit ratio as determined by the U.S. Army Engineers is favorable, we believe we are justified in requesting assistance from the Federal Government.

If the 1959 flood had occurred at night instead of 1:30 p.m., I am of the opinion that at least 200 people would have lost their lives in the Mount Vernon area.

Mr. HOLLINGER. Mr. Lynn Thuma.

STATEMENT OF MR. LYNN THUMA

Mr. THUMA. Mr. Chairman and members of the committee, I am Lynn Thuma, Knox County resident. I am making the following statement as evidence of the need of the program outlined by the Army Engineers of Huntington, W. Va. Living in one of the flooded areas, I have worked on this program since the flood of 1948, one that was near the crest of the flood of 1959.

The people in the Fredericktown area, 7 miles north of Mount Vernon, have no dikes to help protect them nor have the areas between or below Mount Vernon.

Although there have been no threats of flood, the river has flooded parts of these areas four times this year.

The river channel is crooked and full of swail, making it impossible for high water to have a free flow. The areas above and below Mount Vernon are very rich and productive farmlands, which will flood and endanger homes and crops with only 2 inches of rainfall.

It would be impossible to give the damage to farmland and homes in these areas—it was estimated \$150,000 in fences alone by Wayne Burkhart, county agricultural agent.

I made a picture survey of a 2-mile area in which I live, which would be similar to approximately 40 miles of the Kokosing River, showing the condition of the channel. I presented this survey to Col. Steven Malevich, and was told that, although he could do nothing about the channel, the proposed dry dam north of Fredericktown would help to remedy this situation.

Your favorable consideration of this request would be greatly appreciated by the Kokosing Watershed Committee and the citizens of Knox County.

STATEMENT OF MR. NORMAN BLAND

Mr. BLAND. Mr. Chairman and members of the committee, my name is Norman Bland, chairman, finance committee, Mount Vernon City Council.

The city of Mount Vernon was placed in a severe financial situation as a result of the 1959 flood. City government had an estimated \$75,000 in unplanned expenses, over and above funds received in Federal disaster assistance. Much of this cost had to be absorbed, and as a result, ordinary obligations of the city were cut down to minimum service.

We are still in a difficult financial situation.

Electric service was off in the community as a result of the substation being under water.

The water supply of the city could not be maintained due to inundation of the city waterworks plant. This created a health hazard which could have been serious.

Existing levees do not protect the city and area from another severe flood even though steps have been taken by local officials to strengthen the levees. There is nothing to prevent the same tragic loss as occurred in 1959 and prior years until we have secured the complete plan for flood protection as proposed by the U.S. Army Corps of Engineers.

Therefore, I respectfully urge your committee's favorable attention and action to the

request as outlined by Congressman J. M. ASHBROOK and urge that the requested funds of \$200,000 be made available for preplanning of the final stages of the Kokosing watershed project.

Your favorable action will be sincerely appreciated by the citizens of Knox County, Ohio.

Thank you, Mr. Chairman.

Mr. ASHBROOK. That concludes our statement.

Mr. CANNON. Thank you, Congressman ASHBROOK; we are glad to have this information.

Mr. JONES of Alabama. Mr. Chairman, I am pleased to support the items in this appropriation bill for TVA's watershed development project for the Beech River project.

This program is an intensification and unification of TVA's valleywide resource development activities through a concentrated effort by TVA with the local people and State agencies in subareas of the Tennessee Valley. The purpose of this program is to accelerate sound economic progress based on comprehensive unified development of all resources. The program includes research, demonstration, and development activities.

It is an arrangement under which more local people and State agencies can participate more effectively in developing and using the resources of the valley and thus make a greater contribution to strengthening the regional and national economy.

TVA is currently working in seven organized tributary areas and is helping people in three other areas get organized so they may develop programs for their areas.

Initially in all of these areas local people and State agencies have come to TVA with requests for help in solving specific resource problems. They have established organizations tailored to the needs of their area and especially designed to permit effective local and State participation in broad programs of comprehensive unified resource development as a basis for solving problems and accelerating economic growth.

Two of the seven areas have been established as State watershed authorities. Five are incorporated as watershed development associations under State laws. In these 7 areas there are 45 active resource work groups involving between 280 and 300 local people.

Five of the seven organized areas have individual membership-type associations which include approximately 3,500 members. In each of the organized areas and in one of those in the process of organization technical people from State agencies are actively participating.

In each of the above tributary areas the first step has been a joint cooperative inventory of all the resources of the area in order to determine just where the area is and its potential as well as to identify problems and opportunities.

The resource groups which are used in this initial examination include the following: human resources, land, water, agriculture, forests, minerals, recreation, business and industry, transportation and communications facilities, and public and private institutions and services.

Next the findings of the inventories are analyzed and evaluated. This provides the basis for identifying problems and opportunities and giving them quantitative and qualitative dimensions. This analysis is used as a basis for determining objectives and goals on which a cooperative resource development program can be developed, specific plans made, and the program implemented.

From the first step—inventory—local people participate through their resource work groups. These work groups are provided with technical guidance and assistance by TVA and State agencies. Participation of local people in the inventory and analysis stage gives them the background they need for participation in subsequent steps implementing specific programs for the development of their areas.

Mr. MACK. Mr. Chairman, I am supporting this bill because it is in the best long-range economic interest of the Nation.

The taxpayers never lose any money on the kind of projects that are in this bill. Such projects create wealth.

In a very real sense this bill gives us an opportunity to invest in the future of America. Our investment in the development of natural resources in all parts of our country will come back to the Government as tax revenues on the wealth created by these projects.

Anyone who has had the experience of sponsoring a public works project cannot help but have respect for the painstaking scrutiny each project receives, first from the Army Corps of Engineers, then from the Bureau of the Budget, and finally from the Public Works and Appropriations Committees of the House and Senate.

It is sometimes a frustrating experience for the sponsor and the local interests involved, but the step-by-step procedure that must be followed before a single spade of earth is turned is a guarantee that the taxpayers' dollars will be spent wisely and not wasted on worthless projects.

I, therefore, congratulate the chairman of the Committee on Appropriations, and his colleagues, especially those on the Public Works Subcommittee, for their hard work on this bill.

I am particularly pleased that the committee has seen fit to include in this bill the funds recommended in President Kennedy's budget for continuing the flood control program in the upper Mississippi Valley.

The present inadequate levees in that region were subject to severe stress last spring. Experienced observers reported that the area was spared a serious flood only because no rain of any consequence fell during a 60-day period while a record-breaking snow cover in the upper Mississippi watershed was melting.

This bill will permit the orderly development of the Sny Basin interior drainage project in western Illinois, for which \$3,800,000 is allotted for construction, and the Sny Island levee on the Mississippi River, for which \$100,000 is provided for continuing the advance planning.

This bill also provides \$27,000 to complete the advance planning of the South Quincy drainage district project and \$50,000 to begin planning the Indian Grave drainage district project.

The amount of \$900,000 is provided in this bill for construction of levees and pumping plants in the vicinity of Beardstown, Ill. The Sid Simpson flood control project, a 3,300-foot floodwall named after our late colleague, has been completed. The work remaining to be done will complete the protection system for an area which has suffered severe damage in the past from flood waters of the Illinois River.

Finally, I take great personal pride in the Shelbyville Dam and Reservoir project on the Kaskaskia River in Illinois. The \$326,000 recommended in the budget and included in this bill will enable the Army Engineers to begin construction of this vital project during the present fiscal year.

Mr. Chairman, all these projects will be of tremendous benefit to our State of Illinois, and to the Nation, and I have no hesitancy in urging my colleagues to support these appropriations.

Mr. MONAGAN. Mr. Chairman, I support H.R. 12900, the public works appropriation bill for 1963, in its entirety, but particularly because it provides generously in funds for the continuing development of the flood control complex of Connecticut's Naugatuck Valley.

The House, and my colleagues, have responded effectively to the pleas for adequate flood control bulwarks in my district, since we were visited with disastrous floods in 1955. We have made commendable progress. Two major dams have been completed, and we have finished the construction of several lesser projects. The combination of these with the projects provided for in this budget, and those on the Army Engineers' planning boards will, I am confident, provide a full measure of protection to the people and the industries and properties of my district.

Mr. Chairman, I wish to compliment and thank Chairman CANNON and the members of his committee for the splendid manner in which they have presented this bill, and particularly for their courtesies to me and to the Fifth Congressional District of Connecticut.

We have not only made fine progress in the development of our flood control program, we have also recovered fully from the effects of the 1955 disaster that cost us heavily in human lives and property damage. For this we can be thankful to the cooperative spirit of the people of the areas affected, to the Army Engineers, to the Congress, to the Executive, to the Governors, and to the General Assembly of the State of Connecticut.

The public works appropriation bill for 1963 includes approximately \$3,376,000 for flood control projects in my district. These funds will make possible the construction of four additional dams, in Winsted, Torrington, Plymouth, and Northfield, and provide for planning of another in the Middlebury-Waterbury area.

One further point I wish to make is that in the development of our flood con-

trol complex in Connecticut, we are also creating, through Federal-State coordination, new areas for recreation, including fishing, swimming, and boating where practical. The Congress has enacted the enabling legislation for this side development which will further enhance Connecticut's vacation and scenic splendors simultaneously with the development of these protective bulwarks against a repetition of the floods we experienced in 1955.

For these many reasons, and especially in the interest of safeguarding lives and property, I wholeheartedly support the adoption of H.R. 12900.

Mr. ELLIOTT. Mr. Chairman, I support H.R. 12900, a bill making appropriations for public works, including the Tennessee Valley Authority for the fiscal year ending June 30, 1963. This bill is important to the whole country. The civil works of the Corps of Army Engineers comes under this bill. Our Engineers have always handled their civil works in an economical manner. Their work has been well planned. Indeed, some of the finest construction in the United States has been done by the U.S. Army Engineers.

The civilian work done by the Corps of Engineers has a great auxiliary value in training our engineers for the proper defense of our country. The fine work done by them in building bridges, harbors, roads, airfields, and other installations in wartime has underscored the value of the training they get from building civil works in times of peace.

The State of Alabama, which I am privileged to represent, has many items in this bill. They include money for construction of the Columbia lock and dam in the amount of \$2,254,000; they include construction funds for the Holt lock and dam in the amount of \$3,500,000; they include construction funds for the Millers Ferry lock and dam of \$1,000,000; they include construction funds for improvement of the Paint Rock River in the amount of \$350,000; they include construction funds for the Walter F. George—Fort Gaines—lock and dam of \$8,138,000.

Likewise, this bill contains important planning funds for the Claiborne lock and dam in the amount of \$210,000; for the Jones Bluff lock and dam in the amount of \$150,000; and for the Tennessee River and tributaries in the amount of \$106,000. These funds total \$15,602,000 and they will greatly benefit the well-being and the economy of Alabama. I am happy that they are included in the bill. And, while I am on this subject, I want to take this opportunity to thank the chairman of the committee, the gentleman from Missouri [Mr. CANNON] and other members of the committee for the sympathetic consideration that they have given Alabama projects in this bill. Our needs in Alabama for river and harbor development are very great and this helpful consideration of our problem is gratefully acknowledged.

TRIBUTARY AREA DEVELOPMENT PROGRAM

Mr. Chairman, the tributary area development program of the Tennessee Valley Authority, and the Beech River

development plan, in Tennessee, which is a part of it, are not new programs in the Tennessee Valley. Since TVA was first created, in 1933, the people living in the region served by it have been working with TVA in a comprehensive program to improve their natural resources—agriculture and forestry, navigation, recreation, flood control. Building upon this basis, the TVA area itself has been able to develop jobs, and the incomes that go with jobs, rapidly enough to pull closer to the Nation's rising economic standards, instead of continuing to fall behind, as today do so many areas of the southern part of our country.

THE BEGINNINGS

As long ago as TVA's 1936 report to Congress, the Board of Directors discussed the fact that later development of tributary streams to the Tennessee River would show some different benefits and considerations from the basic Federal development of the Tennessee River itself. Early reports also pointed out that resource development programs carried out across the whole region would eventually have to be concentrated and especially organized in some instances to meet particular needs in specific areas. As early as the 1940's, TVA had begun research projects to answer some of the technical problems involved in meeting these needs. It also was starting some experimental local development efforts in small areas to find the most practical means of combining the necessary local leadership and initiative with the technical skills of agencies like TVA. These pioneering efforts served as proving grounds for working out area development administrative methods that could be really effective in practice, not just in theory.

The result was the present tributary area development program in the Tennessee Valley, which is under attack here today. There are many tributary valleys to the Tennessee River in the seven States through which it flows. Today, nearly a dozen of these tributary valleys are working with their own people, and with TVA and with such State and county agencies as are available, to make their areas better places in which to live. In each of these tributary valleys people are applying the basic principle of what might be called unified resource development to and on particular situations.

They are examining all of the resources their area has to build upon, and carefully deciding what development activities will make the most effective program for that particular area.

These people in these tributary areas have heard TVA stress again and again that the success of these efforts is in their hands, and that the program for tributary area development cannot be considered simply in terms of Federal projects. Water control plans, such as the Beech River, will be a part of these area development programs only where this careful study of all local economic opportunities shows that water control is a necessary and valuable part of the overall development effort.

That is exactly what happened in the case of the Beech River area. An examination of the area's opportunities for growth and progress showed a water control system to be a basic and promising step in area development, if a sound way could be worked out to match Federal and local costs—sharing of the respective Federal and local benefits that would result. The present proposal for Beech River, in Tennessee, is believed to fill that need, offering financing arrangements which local interests can afford to accept, but in a way which would result in local interests paying their share of the costs incurred. Local benefits will be recovered to help repay the project costs, rather than these local benefits coming as windfalls to particular landowners.

In my talk, I have mentioned Beech River in Tennessee because it is the tributary area now farthest along in its development. What I want to emphasize, however, is that the same principles, if found practicable and feasible at Beech River, and I think they will be, will be applied, in time, to similar developments on other tributaries of the Tennessee River, if detailed studies by people living in these areas indicate that similar developments to those at Beech River are economically feasible, and if studies indicate that they are vital to area progress.

BEAR CREEK

I represent an area of many small streams. A few of them, one in particular—Bear Creek—is a principal tributary of the Tennessee River. I have been privileged to see in the past few years the people of Bear Creek meeting regularly and working to inventory such resources as they have. I have seen them elect their own officials who have given good leadership. I have seen them divide themselves into committees and have seen the laborious and detailed way in which they went about examining the various phases of their own possibilities. It is to help groups like the Bear Creek group, and efforts like they are putting forth in tributary areas that this item in this appropriation bill is designed to aid. Most of the money in the appropriation bill goes this year to Beech River. If Beech River is successful, and I am sure it will be, then other tributary areas can profit by the Beech River experience. All I am saying is that here we have a program to develop local areas of America that happen to be located in watersheds tributary to the Tennessee River.

In this program local costs will be recovered after the improvements have been made. It appears to be a very practical approach to resource development at the local level.

I am glad this bill contains an item for construction on Beech River and for planning on other tributary streams.

Mr. SELDEN. Mr. Chairman, I take this occasion to commend the Appropriations Committee for funds approved in the bill presently before the House of Representatives for projects located in the State of Alabama. At the same time, I want to call to the attention of the

members of the committee and the House of Representatives an anticipated project which I believe has considerable merit.

WARRIOR-TOMBIGBEE

Included in the bill is the sum of \$3,500,000 for the Holt lock and dam. This structure was started in fiscal 1962 with an appropriation of \$750,000. I am advised that the full amount of \$3,500,000 contained in the bill is necessary to maintain an orderly construction schedule, and I urge its approval.

The Holt lock and dam, located approximately 9 miles upstream from Tuscaloosa, Ala., will eliminate four small navigation structures built in 1915 or earlier. It is the last new dam required in the modernization program presently underway on the Warrior-Tombigbee.

There is the necessity, however, of initiating construction of a new lock at the present John Hollis Bankhead Dam, which is located approximately 18 miles upstream from the Holt structure.

The Bankhead Dam itself is not to be replaced. Although it was built in 1915, the concrete structure, to which 12-foot vertical lift gates were added in 1937, will serve usefully for many more years. Navigation, however, must pass the dam by means of two locks which are but 285.5 feet long and 52 feet wide. The Jackson, Demopolis, and Warrior locks and dams, located between Tuscaloosa and Mobile, already have eliminated nine similar sized locks while the Holt lock and dam will replace four more.

I believe it essential that studies be started at once to determine the feasibility and justification of replacing the two small Bankhead locks, which provide a total maximum lift of 72 feet, with a single-lift, 600- by 110-foot chamber, the same dimensions as at the new facilities downstream.

The inclusion in this legislation of \$75,000 for this purpose under operation and maintenance funds will enable the Corps of Engineers to make a survey looking toward early replacement of the present obsolete locks.

COOSA-ALABAMA

Also contained in the bill now before the House are funds that will make it possible for Federal construction to begin on one of the largest undeveloped waterways in the United States—the Coosa-Alabama.

For work on the Alabama River, the lower segment of the great Coosa-Alabama system, the bill contains \$1 million to begin construction of the Millers Ferry Multiple Purpose Dam, \$210,000 to complete advanced planning of the Claiborne Navigation Dam, and \$150,000 to resume planning of the Jones Bluff Multiple Purpose Dam.

Investigations by the Corps of Engineers indicate that the three authorized facilities to be built by the Government on the Alabama River are economically justified. It has been recommended by the Corps of Engineers that the Millers Ferry lock and dam be built first, and construction on this priority facility can be begun this year if funds are approved.

The funds for the Claiborne facility will make possible the completion of ad-

vance planning of this structure that the Corps of Engineers has recommended be completed concurrently with Millers Ferry. The Jones Bluff Dam is scheduled for construction when these two are completed, and will take about 4 years to build.

The overall plan of development for the important Coosa-Alabama River system provides for the installation of locks at the dams built by the Alabama Power Co. on the Coosa River as soon as navigation is assured to Montgomery and Wetumpka.

The Carters Flood and Power Dam, for which the bill includes \$2,500,000 for continued construction, is located in northwest Georgia on the Coosawatee River which joins the Etowah River near Rome, Ga., and forms the Coosa. This facility will hold back flood waters in the downstream areas, as well as generate power needed for the rapidly expanding industrial section of northwest Georgia.

The potential uses of the Coosa-Alabama are not only important to the areas in Alabama and Georgia that will benefit economically but also to the entire United States, as the Coosa-Alabama will provide a major source of water transportation, reservoirs, and hydroelectric power for national defense. Its proper and early development, recognized in this legislation by the Corps of Engineers and the Appropriations Committee, cannot be overemphasized.

CHATTAHOOCHEE RIVER

Included also in the bill before the committee is the sum of \$2,254,000 for the construction of the Columbia lock and dam and \$8,138,000 for the completion of the Walter F. George lock and dam. These installations are an integral part of the Apalachicola, Chattahoochee, and Flint Rivers comprehensive plan to provide a 9-foot depth for navigation on the Chattahoochee River to Columbus, Ga., and on the Flint River to Bainbridge, Ga. The three structures required to provide 9-foot depth to Columbus, Ga., are the Jim Woodruff lock and dam, the Columbia lock and dam, and the Walter F. George lock and dam. The Jim Woodruff Dam is completed and in operation, the Walter F. George lock and dam is expected to go into operation in December of this year, and the lock at the Columbia lock and dam is scheduled to be opened shortly after the first of the year.

TENNESSEE-TOMBIGBEE

The outstanding progress made in recent years on the Warrior-Tombigbee, the Coosa-Alabama, and the Chattahoochee systems in Alabama indicate that these vital waterways will be functioning in the not too distant future at their full capability for the benefit of the State and the Nation.

Still pending, however, is an extremely important waterway development directly affecting not only the State of Alabama, but also the States of Mississippi and Tennessee. This is the linking of the Tennessee River with the Gulf of Mexico in order to provide an alternate inland water route from the Gulf of Mexico to the Great Lakes.

The U.S. Corps of Engineers recently completed an exhaustive investigation and recommended that the proposed Tennessee-Tombigbee project be constructed to serve as the alternate route. The engineers' report endorses changing the classification of the project from a "deferred for study" status to "active."

This project, which was envisaged 150 years ago and authorized by Congress in 1946, is designed to connect by a canal the Tennessee River with the Tombigbee River which flows into the Gulf. According to the Engineers, the canal will accommodate the size tows now being operated on the Ohio, Tennessee, and upper Mississippi Rivers.

The proposed waterway will provide a slack water channel 9-feet deep with a minimum width of 170 feet, stretching 253 miles from Demopolis to the Pickwick Pool on the Tennessee River.

The Tombigbee is navigable now from the port of Mobile to Demopolis, Ala., situated at the Tombigbee's juncture with the Warrior River.

In its report, the Corps of Engineers concludes that construction of the Tennessee-Tombigbee Waterway "in accordance with the plans proposed herein is feasible from an engineering standpoint and that the economic benefits to be derived therefrom are of widespread nature and of sufficient magnitude to warrant the undertaking of the project."

The benefits accruing from the connection of the Tennessee with the Gulf of Mexico are of primary importance to the States of Alabama, Tennessee, and Mississippi, as well as to the midcontinent region. The project can also be expected to benefit a large segment of the national population through the lowering of production and marketing costs afforded by cheaper transportation along the water route.

Despite the fact there were no budgeted planning funds for the proposed Tennessee-Tombigbee Waterway, the Alabama, Mississippi, and Tennessee delegations, as well as other interested parties from these States, urged the Appropriations Committees to include such funds in the bill presently under consideration. While we were disappointed that the House Appropriations Committee did not grant our request in this instance, we note with satisfaction in the following paragraph contained in the committee's report that the project was deferred without prejudice:

Tennessee-Tombigbee Waterway—This project was not budgeted and the report on the restudy of it was received by the committee after it had concluded hearings with the Corps of Engineers. However, on the basis of testimony offered by nongovernmental witnesses, the committee very carefully considered funding for the project in fiscal year 1963. It was decided to defer without prejudice action on this \$281,025,000 project until there has been an opportunity to go into all of the details concerning its justification with the Corps of Engineers.

I am calling this important project to the attention of the Members of the House of Representatives, as I believe a careful study by the Appropriations Committee of the details concerning this

project's justification will warrant its favorable consideration in the not too distant future.

Mr. JUDD. Mr. Chairman, this appropriation bill contains an appropriation of \$4 million which will at last bring true a wonderful dream for the people of my city. It is the 16th annual appropriation, and the final one, for the two dams and locks at St. Anthony Falls, the head of navigation on the Mississippi River, in the center of the city of Minneapolis.

The city grew up around St. Anthony Falls because its water-power made possible erection there of great flour mills and power plants. But the Mississippi descends into a deep gorge which has prevented development of adequate docks and storage installations. Minneapolis has been like a city with a railroad coming to its borders but with no terminal.

Above the falls the river is wide and deep for about three miles with low flat banks, ideal for industrial and harbor developments. There are extensive railroad yards on both sides. Thirty years or so ago, when the 9-foot channel of the Mississippi was being planned, persons in Minneapolis saw the possibility and had the dream of constructing great locks to lift barges through the falls and building above it what some engineers said will be one of the finest internal harbors in the world.

Despite endless discouragements and delays, it is now approaching completion. With today's appropriation, the whole project should be ready to go into operation in July 1963.

Americans have given generously to build larger and more expensive projects in various parts of the world, but none, I dare say, will be more appreciated and few will bring more long-range benefits than this Upper Harbor in Minneapolis.

After authorization first in 1937, the project was delayed for years by litigation to prevent use of public funds by the city of Minneapolis to do the necessary alteration of two privately owned railroad bridges.

While this was being resolved by the city's making a direct contribution to the Government for it to use for this purpose, World War II arrived.

One of the first projects on which I began work when I came to Congress in 1943 was to get the Upper Harbor reauthorized in 1945, and I have worked at it every year since.

In 1947, Senator Joseph Ball and Congressman George MacKinnon of the third Minnesota district and I persuaded the 80th Congress to make the first appropriation.

Dredging began in 1948 and, despite greater difficulties than anticipated in getting firm foundations for the dams and despite opposition from various groups that sincerely thought it was not economically justifiable or would provide too great competition for existing means of transportation, vision and faith and persistence have brought it to fruition.

The original cost estimate in the 1937 study was about \$8 million, plus the city's contributions. In 1945 the estimate had

grown to \$17 million. Increased costs of materials and labor in post-war years, plus the foundation difficulties referred to above, ran the estimate for the Federal cost up to \$31.9 million as late as a year ago. I am happy to report that the Army Engineers now believe the final cost will be \$1.6 million less because of lower bids than expected, mostly by Minneapolis firms. It is gratifying to be able to make the unusual and newsworthy report of money saved.

With today's appropriation, which is \$430,000 less than requested, the total contribution by the Federal Government from the beginning will amount to \$29,870,000 and that by the city of Minneapolis to \$3,370,000, consisting of \$1.1 million direct contribution to the project and \$2,270,000 spent to alter highway bridges and publicly owned utilities and to provide free of cost all lands, easements, rights of way and suitable disposal areas.

At the outset, some said the river traffic to Minneapolis would never exceed 1 million tons a year. But it has already reached 4 million tons annually even with the present very limited terminal facilities. We can be sure traffic will grow beyond our fondest hopes, bringing up mostly coal and fuel oils and taking down mostly grain and its products, such as linseed oil. It should lead to an increase of traffic for railroads and other transportation too, as they bring products from the vast hinterland to the harbor and take other commodities back.

Mr. Chairman, a Congressman suffers some frustrations, but there are also great satisfactions. When he is able to help convert a great resource that nature gave us into a magnificent development to benefit a great city and a greater area and their people for decades to come, it is very rewarding. Not the least of the satisfactions is the knowledge that the taxpayers who paid the bill will get full value received.

The Clerk read as follows:

TITLE I—DEPARTMENT OF DEFENSE—CIVIL
Department of the Army
Cemeterial Expenses
Salaries and expenses

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; \$10,276,000: *Provided*, That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further*, That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of \$17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel per-

forming services primarily for the purposes of this appropriation.

Mr. HALLECK. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I have asked for this time at an early stage in the reading of the bill in order to speak of an item that is included, an item about which I had no information until yesterday after the bill was reported.

To give you just a little background, when I first came here in 1935 the Governor of my State was Paul V. McNutt. In concert with him and other Representatives of the State of Indiana—I think at that time Senator Minton was here, and Senator Van Nuys was in the Senate—we began work on what we as people from Indiana thought was a matter of vital necessity to the industrial development of our State. We were seeking to bring about the construction of a deepwater port on Lake Michigan on the shore of Indiana where there would be space available for industrial expansion.

As I say, that started a long time ago. It began with a bill for the survey and the examination of the lakeshore of the State of Indiana. At that time the Secretary of War was directed and authorized to make an examination and survey of the shore of Lake Michigan and the frontage thereon in the State of Indiana looking to the establishment and construction of a new and adequate commercial harbor at the most suitable site. You understand, the directive at that time in 1935 was the determination of a suitable site.

Following hearings the Board said that it recognized the probable future need for a suitable harbor for general commercial use on the lakeshore of the State of Indiana but was of the opinion that the selection of such a site for such an improvement should be based on a comprehensive review of the whole available frontage.

That was provided for by action of the Congress in 1937. The survey was made. It dealt extensively with all of the existing harbors on the Indiana shore of Lake Michigan, their facilities and their potential use. It dealt with the geographic distribution of these ports, the cities and towns in the immediate area of that site. It dealt with existing rail and truck facilities and their availability, and many other features.

Then, under the heading of "Conclusion," the Army Engineers said this:

The Burns Waterway site is the only one on the Indiana shore of Lake Michigan at which sufficient space is available for the type of general and industrial commercial harbor desired by local interests.

That is pretty conclusive, is it not? That plainly establishes that a determination had been made.

Then further they refer to the adjacent State park which we have in Indiana with 3 miles of shoreline, just a bit of it presently used, the nearby towns, residential development, and the heavy industrial development west of the Burns Waterway site, and they ruled that out as the place to build a harbor. So finally, after hearing after hearing and

many representations made, the Army Engineers finally recommended the Burns Waterway Harbor site in Indiana, with provision for a deep-draft harbor at Burns Waterway on the south shore of Lake Michigan. Harbor improvements would consist of a north breakwater, a west breakwater and so on; and then the estimates are given as to the cost.

Now let me again point out that this has been an effort carried on by the State of Indiana by every elected Governor, Democrat and Republican, and is being presently carried on by Gov. Matthew E. Welsh, of Indiana, who happens to be a Democrat and the Indiana Port Authority that has spent many, many dollars of Indiana money to further this project and which is now in the process of acquiring land to build this harbor, approved by the Army Engineers, and waiting for final action from downtown.

(Mr. HALLECK asked and was given permission to proceed for 5 additional minutes.)

Mr. HALLECK. Mr. Chairman, here is an item of \$50,000 included in this bill. I am saying to you in the light of the history of everything that has gone on if this item is intended to be in the nature of something adverse to the Burns Waterway project it would be pretty much a slap in the face for the people of Indiana, and I say even now under the present administration, to Members of Congress by and large and United States Senators who have been for this port at the Burns Waterway. Here there is \$50,000—to do what? To study something in an adjacent area, apparently, to once again determine feasibility. Well, the proposition as to the feasibility has already been determined. How many times do we have to determine it before Indiana can achieve the thing for which we have been struggling all these years, and that is, our fair opportunity of access to the waterways of the Great Lakes and now through the St. Lawrence Seaway, which I supported, to the ocean itself.

Mr. Chairman, I say this item should never have been in here. I have just talked to Governor Welsh by phone. I understood that there is some language which may be acceptable and the Governor has asked me not to offer an amendment to strike out the \$50,000. After all, the Governor is the representative of the State of Indiana. He has appointed the harbor commission. He has been supporting this project. He has been in and out of Washington right along so I suppose that my situation is such that about all I can do is to make some observations here. But I just wanted this to be clearly understood: if this insertion of the amount of \$50,000 were to be interpreted as any sort of a roadblock for the holding up of the approval of this report it will be a blow to the people of Indiana who have fought for so long, all of us—both parties—with some exception here and there, and I understand my great friend and colleague from the First District is now in favor of having this \$50,000 in here. But from the standpoint of the

overwhelming majority of the people of the State of Indiana, they want this Burns Waterway project accomplished. It is our just due. We do not want any more roadblocks thrown in our way. As I said at the outset, here you are asking the engineers to make another survey in spite of the fact that they were specifically directed to conduct the survey in an earlier action by the Congress—not just of one location but of the whole shore of the State of Indiana to determine the best site. They have made that recommendation. It came from the Chicago office to the Army Engineers here in Washington and they have approved it. So it has gone through all the proper actions and procedures that a matter such as this has to go through ordinarily when reports are asked for and the project has been submitted to all the interested parties and agencies of government. I express the hope that the Bureau of the Budget and the White House will give us the approval that I think we are entitled to, and will do so without further delay. So the least I can do on this occasion is to make it very clear in this Record that if this item remains in the bill, it should not be construed as an obstruction in the way of the accomplishment of this project with respect to which I and so many others have spent so much time. I have appeared at hearings all over the country, in Chicago and here in Washington and Detroit and in other places in the company of past and present Governors of my State and of U.S. Senators, and on many occasions in the company of the entire congressional delegation from the State of Indiana.

As I say, if the item stays in the bill, I certainly do not want it construed any place anywhere as roadblocking the accomplishment of our harbor project.

Mr. CANNON. Mr. Chairman, will the gentleman yield?

Mr. HALLECK. I yield.

Mr. CANNON. It was not the intention or purpose of the committee to take sides in the matter whatever. The proposition presented is so small, that of making a brief and minor exploratory investigation which would be concluded before final determinations on funding Burns Ditch Harbor would have to be made. I would say that the committee had no intention whatever of prejudging the merits of the Burns Ditch proposition. We appreciate the information the gentleman gives us.

Mr. HALLECK. I notice in the report mention made of the item. When I look further on in the report it is clearly indicated that it is an unbudgeted item; in other words, the Bureau of the Budget did not ask for the inclusion of this item.

Mr. CANNON. The gentleman is correct.

Mr. HALLECK. There is one other peculiarity about it I could not quite understand, and that is that this survey item is included in the projects for Illinois.

Mr. CANNON. The gentleman understands this was an exploratory proposition involving both States.

Mr. HALLECK. Then, I fairly assume from the fact that it was listed under Illinois projects that it primarily has to do with benefits to Illinois and hence would not have much to do with what we are trying to accomplish.

Mr. CANNON. It covers both States, and when it was included in the bill it was listed under the State which occurs first in alphabetical order as is customary in our report tables.

Mr. MADDEN. Mr. Chairman, I move to strike out the last word.

(Mr. MADDEN asked and was given permission to revise and extend his remarks.)

Mr. MADDEN. Mr. Chairman, what my friend and colleague from Indiana just stated is a rather enthusiastic résumé of what has taken place on this so-called Burns Ditch Harbor; but I merely want to kind of review a few facts that were omitted.

This Burns Ditch Harbor did not start with Governor Handley or Governor McNutt. This location at Burns Ditch Harbor is on the south shore of Lake Michigan, the southern point of Lake Michigan. There is a 600-mile sweep down the lake, and when storms strike from the north mammoth deposits of land, rock, and silt is what builds up the Indiana dunes.

I discovered some ancient history about this particular matter of the Burns Ditch Harbor over in the Congressional Library. I discovered that Senator Daniel Webster back in 1836 came to Michigan City on a big Fourth of July celebration for the opening of a new harbor at Burns Ditch. They had quite a celebration on the opening of a great harbor there. That was 126 years ago. They discovered later, however, which they did not know then, that these terrific storms that built up the dunes kept on coming, and the Government had to make about 8 or 10 appropriations over the next 50 years to keep that particular harbor cleaned out of sand and silt. Therefore, the harbor never amounted to much.

The Army Engineers in 1960, which is only 2 years ago, brought back a report on their long study on a harbor at Burns Ditch. They mentioned in a paragraph of that report the fact that the 600-mile sweep down the lake from the north would greatly jeopardize a harbor at this location.

They mentioned in another paragraph, Mr. Chairman, in this survey that the Army Engineers made in that 1960 report that 97 percent of the cargo for the foreseeable future—they mentioned 15 years—would go to two proposed steel mills to be located at Burns Ditch. One of these steel mills is headed by George Humphrey, former Secretary of the Treasury, who has started the construction of his national steel mill. On the other side of Burns Ditch there will be a proposed steel mill owned by Bethlehem Steel. This Army Engineer report said that 97 percent of all the cargo for the next 15 or 20 years would be cargo for those two steel mills, which means only about 3 percent of lake shipping would benefit central Indiana.

The report of the Army Engineers 2 years ago, 1960, discounted the value of public shipping at this harbor point.

Now, a mysterious thing happened. In 1960 George Humphrey was very active as an adviser at the White House. The Army Engineers recalled that report. They held a new set of hearings in Indianapolis. I appeared at those meetings against the Burns Ditch location, and I reread before the Army Engineers what they stated in their 1960 report. So under this new hearing that took place the old Army report went into the discard, and the new report released months later did not mention the hazards of the Burns Ditch location which were set out in the 1960 report. The new report did not mention 97 percent of the shipping that the two proposed steel mills would receive from the \$80-million harbor to be erected at taxpayers' expense.

About 15 or 20 miles west of Burns Ditch is a natural harbor location where there is industry already established. There are three major steel mills, the majority of the oil companies have their refineries there, and about 200 other industries, large and small, have already been located and established. This \$50,000 Army Engineers survey calls for a study of the tricity harbor location in the center of a great industrial area.

Let the Army Engineers survey this magnificent harbor location at Hammond and East Chicago and Whiting where they have superior facilities, transportation, and an already constructed breakwater.

The CHAIRMAN. The time of the gentleman from Indiana has expired.

(By unanimous consent (at the request of Mr. MADDEN), he was allowed to proceed for 3 additional minutes.)

Mr. MADDEN. Mr. Chairman, it seems there was a great deal of excitement during Governor Handley's administration a few years ago when this proposed Burns Ditch was promoted. There was a great opening ceremony held. Former Secretary George Humphrey was there, as well as a number of distinguished officials and real estate people from all over the State. A few distinguished politicians, investors, and other people organized and bought a lot of land around the Burns Ditch area. We do not need to go into that at this time. I am asking the Congress to let the Army Engineers make a harbor study in Lake County where large industry is located. It would cost only \$50,000. Let them make that survey and make a report on it. If they want to go through and grant a permit to go ahead at Burns Ditch, let them go ahead. They will have to come back to Congress to get the money to build it, and we can then debate the pro and con of Burns Ditch harbor.

I ask the committee not to eliminate this amount of \$50,000 which is necessary to study all locations for a Lake Harbor in northern Indiana. They estimate Burns Ditch harbor will cost \$80 million. It will be \$150 million before they get through. And for \$50,000 you may save a \$150 million experiment.

The chambers of commerce, labor, public, and the mayors of the cities of Lake County, Ind., all want a harbor in northern Indiana. We think we have a good location for it. I do not have time to read a statement made by the Inland Steel Co., stating their opinion against a harbor at Burns Ditch. You should read some of the things they say about the harbor at Burns Ditch. For instance, they owned for years 800 acres of land there, but the reason they never built a steel mill down there was on account of what I just narrated, the terrific storms from north to south on Lake Michigan with its tons of sand and silt which makes a harbor at Burns Ditch impracticable. I want to congratulate the Appropriations Committee for acting favorably on a \$50,000 fund to start a survey on the tricity harbor in the great industrial region of Indiana.

Mr. ROUSH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, this is a very serious matter for the State of Indiana. I have also prepared an amendment which would have deleted this \$50,000. The purpose of its preparation was to protect our present plans for an Indiana port at the Burns Waterway location.

Mr. Chairman, I would like to clarify a matter, for the sake of the record and to establish a proper legislative history. If the distinguished chairman of the committee, the gentleman from Missouri [Mr. CANNON] would give me his attention, I would like to ask concerning this item:

The item to which I am referring, Mr. Chairman, is to be found on page 5 of the report on the public works appropriation bill for 1963 under the general heading of "Civil Works," and then further, under the heading "Illinois" and the project is identified as "Hammond-Whiting-East Chicago, Navigation," for which \$50,000 is designated. Do I understand, Mr. Chairman, that it is the intention of the committee that the appropriation of such funds is not an expression by the Congress at this time that the Burns Waterway harbor site for an Indiana port should either be approved or disapproved?

Mr. CANNON. Mr. Chairman, if the gentleman will yield, may I say that the gentleman is correct. The answer is "Yes."

Mr. ROUSH. I thank the chairman for his response. I wanted to make absolutely sure that the record was clear that there is to be no delay or interference with the construction of an Indiana harbor at the Burns Waterway site.

Mr. Chairman, my distinguished colleagues have given to the Members of the House a bit of the history on this harbor. When the northern border of Indiana was established, it was negotiated at a place above the southern shore of Lake Michigan in order that Indiana might have a portion of that shoreline with the view of someday using that lake. We have come a long, long, hard road in order to arrive at the place we are today. It now appears that an Indiana harbor will be constructed. We are interested in

nothing which will obstruct the construction of that harbor.

Mr. Chairman, the Governor of the State of Indiana, who is a Democrat, his predecessor who was a Republican, the Lieutenant Governor of Indiana, and all but one of the Indiana congressional delegation, including the two Indiana Senators, have expressed themselves favorably concerning this proposed Indiana harbor at the Burns Waterway. I am glad that we have made this record clear. I am not going to offer my amendment. I trust that the administration, through the Bureau of the Budget, will give immediate approval to our Indiana harbor and that this project might be included in the rivers and harbors authorization bill so that Indiana might reap the benefits for the years to come from a harbor in the northern part of the State, which I am sure will be gratefully received by the vast majority of our people.

Mr. GROSS. Mr. Chairman, I move to strike out the last word.

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, with or without the \$50,000 for Indiana this bill is still going to cost \$4,613 million-plus. I am not particularly impressed with the \$131 million cut below the asking price of the Bureau of the Budget, but I am impressed with the fact that it is almost \$673 million more than was spent for the same general purposes last year. Now, with a deficit this year of \$6.3 billion—and I am aware of the fact that much of the increase in the bill is going to the atomic energy setup—but with \$6.3 billion deficit in the operation of this Government last year, it seems to me that sometime, some place, somehow this Congress is going to have to begin to cut this and other bills. How is it expected to balance the budget and continue to spend more money? If the atomic energy program must go on at an accelerated rate, then cut somewhere else. But let us stop this spending that runs the Federal Government into the red to the tune of \$6 to \$8 billion a year, and a few years ago \$13 billion in 1 year. How is it expected to keep this Nation from bankruptcy if there is no disposition to cut some of these bills?

All of these things are fine, I am sure, but somebody is going to have to forego some of the good things of life if this Nation is to remain solvent. Now, I am interested in the language to be found on page 4 of the bill, which says:

That no part of this appropriation shall be used for projects not authorized by law.

It seems to me that in this bill the legislative process is operating in reverse. In other words, there must be projects in this bill that are not authorized by law but for which the committee is providing money and hoping the Congress will eventually pass the authorizing legislation. Is this common, ordinary, everyday appropriation language, or are we embarking upon something new in this bill that provides for the appropriation of money before Congress authorizes the appropriation? Is this common practice, I ask the Chairman?

Mr. CANNON. The gentleman, I have no doubt, is aware that this is a provision carried in the bill each year. We do not list each project in the bill as a line item, so we do make provision to prevent use of funds on unauthorized projects. Money cannot be used unless it is for authorized purposes, and the item is not subject to a point of order because this language protects it.

Mr. GROSS. The gentleman from Ohio [Mr. KIRWAN] mentioned the project in Flushing Bay and Flushing Creek, N.Y., as not being authorized. I wonder if somebody will tell me the purpose of this project? I do not seem to find anything in the report about it and I wonder why it is being appropriated for before Congress authorizes it. What is this project?

Mr. CANNON. It is in anticipation of a World's Fair in New York, as the gentleman understands. It provides for improvements to an existing harbor which are justified with a benefit-cost ratio of 3.3 to 1. These improvements will also incidentally facilitate water access to the fair area.

Mr. GROSS. I ask the gentleman from Missouri if we did not appropriate \$17 million for the New York World's Fair in the belief that would take care of all Federal participation? What is it proposed to do—dredge a channel or establish a yacht harbor, something of that kind?

Mr. CANNON. The gentleman understands that these are two entirely different propositions. One is for taking care of a harbor which requires urgent attention. The other is for a purpose which had to be taken care of at a very early date.

Mr. GROSS. What is this Flushing Bay project? What is its purpose?

Mr. CANNON. In response to the inquiry of the gentleman from Iowa, may I say that this proposal is for an anchorage basin and for a breakwater, which are essential, as the gentleman understands, in that immediate area. The estimated Federal cost is \$2,315,000. Local interests are contributing \$1,154,000 or about 30 percent.

Mr. GROSS. It is a breakwater; is that what the gentleman says?

Mr. CANNON. Yes; and harbor deepening.

Mr. GROSS. To break what?

Mr. CANNON. It is an anchorage basin, and we must have the breakwater in order to protect the anchorage basin to make it safe in order that vessels using the harbor now and others which will be taking visitors to the fair may do so without hazard.

Mr. GROSS. What is there in Flushing Bay and Flushing Creek?

Mr. CANNON. There is an existing project there. It was authorized in 1925 and constructed in 1937. This deepens the harbor from 12 to 15 feet. This breakwater protects it. It makes a safe anchorage.

Mr. GROSS. Let me ask the gentleman from New York, Was it not understood when we passed the bill providing \$17 million—was that the amount for the New York World's Fair?

Mrs. KELLY. That is my understanding, \$17 million. I thank the gentleman from Iowa for giving me the opportunity to attempt to answer his inquiry. I want to pay tribute to him at this time. His capability and capacity to review and study all projects, and bills which come before us in this House is most helpful to all of us. He brings to this House an alert review of all that we attempt to do and helps us to exert our responsibility.

Mr. GROSS. Was it not understood that this would be the limit of Federal participation in the fair?

Mrs. KELLY. I am sorry, but I believe that \$17 million was the U.S. participation in the World's Fair for a building that would be built there. I understand it was not for any other project. I am not fully acquainted with this item, to which you refer. I believe it is for an enlargement of the harbor, a deepening of the channel. It is true that it will be finished to permit larger yachts and boats to come in there bringing visitors to New York to attend the World's Fair. This project was planned, studied long before the idea of the World's Fair was conceived but just happened to be finished at that time. We in New York have given so much to the Federal budget that I do not think this is out of order. The local construction will be \$11,154,000.

Mr. GROSS. Suppose Emperor Haile Selassie of Ethiopia decides to come to the New York World's Fair. Could he park that \$3-million air-conditioned yacht that we provided him in the harbor?

Mrs. KELLY. My answer is, I hope he can come and bring that yacht, and maybe it would attract more tourists to the city of New York. I also hope the basin may be able to accommodate a yacht as large as that. Maybe in that way we could get returned some of the money we have given to that country.

Mr. GROSS. Mr. Chairman, I have reached the conclusion that this bill, otherwise known as the pork-barrel bill, is much the same as those which have preceded it through the years. There seems to be something in it for almost everybody. I reiterate that instead of having been reduced in cost as compared with last year it is increased by more than a half billion dollars. It is too rich for my blood and if there is no record vote I want to be on record as being opposed to it.

Mr. JENSEN. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, very little testimony was given before the subcommittee relative to the East Chicago project. Of course, we have had much information relative to the Burns Creek Waterway project for many years past. It has been established here today that the \$50,000 which is included in the bill for a survey for the Hammond-Gary area project would have no bearing whatever on the building of the Burns Creek Waterway project.

Mr. BRAY. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman.

Mr. BRAY. I am very happy to hear the gentleman say that it is the intention of the committee that this \$50,000 item in the appropriation bill, which is not in the budget, shall not have anything to do with downgrading the Burns Ditch Port for northern Indiana. There has never been a project in Indiana that has had as nearly unanimous backing as this Burns Ditch Port project. Both Members of the Senate and Governors of the State of Indiana, past and present, and 10 of the 11 Indiana Members of Congress have enthusiastically supported the Burns Ditch project. The reason they backed that project is because its need and feasibility has been certified by the Army Engineers over a period of years. The Army Engineers has determined that the Burns Ditch location is where this port should be located. We all realize that most of the opposition to this project has come from interests outside the State of Indiana.

Mr. JENSEN. I thank my colleague.

Mr. ROUDEBUSH. Mr. Chairman, will the gentleman yield?

Mr. JENSEN. I am happy to yield to my distinguished colleague from Indiana.

Mr. ROUDEBUSH. Mr. Chairman, I would like to say in the 2 years that I have been a Member of this body, I have attended at least 15 or 20 meetings of public-spirited groups in Indiana in favor of the Burns Ditch Waterway. Just this week, I received a rather lengthy communication from the executive secretary of Governor Matthew Welsh of Indiana asking my further assistance in behalf of the Burns Ditch Port. Mr. Clinton Green, who is Governor Welsh's secretary—and Governor Welsh is a Democrat—is chairman of the Burns Ditch Port Commission. I would just like to say to the gentleman from Iowa, as one Member of the Indiana delegation, I wholeheartedly favor the consideration of the port at Burns Ditch.

Mr. JENSEN. I thank the gentleman.

Mr. Chairman, may I say, since this controversy has arisen, if it is a controversy, it would appear that a port at both places might be justifiable. There is a great deal of shipping in this area, and I would be the last one to attempt to deny the Hammond-Whiting-East Chicago project from being developed, if the survey shows and proves that it is feasible. So, I say again, it appears to be very plain now that these two projects are separate and distinct enterprises, so to speak. Hence, the Burns Creek project should go forward, irrespective of other proposals.

The CHAIRMAN. The time of the gentleman has expired.

The Clerk read as follows:

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

Mr. BENNETT of Florida. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I note that in its report on H.R. 12900 providing appropriations for public works for the fiscal year 1963,

the Committee on Appropriations has disallowed the President's budgetary request for \$205,000 to complete the advanced planning and the design of the authorized Cross Florida Barge Canal. I have no doubt that this action by the committee was taken after careful and impartial consideration of the testimony of the Chief of Engineers supporting this request of the President, and also the ex parte objections presented by witnesses for the principal competing form of transportation. But I am convinced that the committee has erred in their interpretation of this testimony through an incomplete understanding of the true facts with respect to this project which is not only fully justified by its benefits to the national economy but which is today even more essential to the national defense than it was in 1942 when it was authorized for that purpose. It is my hope that the committee will embrace the first opportunity to reconsider their conclusion.

I believe that the committee has erred in their interpretation of and in the weight they have given to the elements of the testimony cited by them as the basis of their findings, and all of which contradict the data and opinions presented by the Chief of Engineers.

The committee states that the project was authorized in 1942 and that it has since been studied on four separate occasions, and that the cost estimates of the Chief of Engineers have varied from \$44 million in 1942 to \$145 million in 1962, and that the benefits/cost ratio found by him has risen from 1.05 in 1958 to 1.2 in 1962. The committee cites the findings of a ratio of 4.6 by independent expert consultants employed by the Chief of Engineers, and the ratio of 0.13 submitted in an ex parte statement by representatives of the principal competing overland carriers. The committee has overlooked the fact that the differences in the Chief of Engineers estimate of cost in 1944 and his current estimate is due solely to increases in the cost of labor and materials over that 20-year period adjusted to certain relatively minor changes in plan. A corresponding increase obviously applies to all projects which have been authorized for any considerable time. I submit that the estimates of the cost and the benefits made by the Chief of Engineers are admittedly conservative in the extreme and are highly consistent. A net result of all studies of this project is a confirmation of the adequate and ever-increasing justification. When the committee suggests that it be submitted to yet another study as a condition precedent to reauthorization because it has been authorized for 20 years, are we to understand that the committee is proposing the same procedure for all projects authorized more than a few years ago and not yet funded, and that all such be re-submitted to the legislative committees and the Congress for possible reauthorization?

Concluding that 80 percent of the benefits of the project found by the Chief of Engineers reverts to the State of Florida, the committee has overlooked the fact that, in addition to national

benefits to through traffic, commodity movements via the proposed canal originating outside the State and destined to Florida benefit directly the areas of origin, and that commodity movements originating in Florida and destined to areas outside the State benefit directly the areas of destination. As a matter of fact, there is probably no project, proposed or existing, the benefits of which are as nationwide as will be those of the Cross Florida Barge Canal.

The record of the hearings held by the committee on this project makes it clear that objecting witnesses for competing modes of transportation who alleged that the proposed canal did not afford a safe route between the gulf and Atlantic systems of inland waterways did not fully inform the committee. The facts are as follows:

In House Document No. 109, 79th Congress, 2d session, upon which the authorization of this project was based, on page (iii), there is set forth a letter from the Chief of Engineers to the chairman of the Committee on Rivers and Harbors in which he states:

With reference to the use by intracoastal waterway traffic of the open gulf between the eastern terminus of the present intracoastal waterways in the vicinity of Apalachee Bay and the gulf terminus of the above-mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion on the gulf. Accordingly, it would be possible to eliminate that section of the intracoastal waterway from the improvements proposed in H.R. 6999 and still move very large quantities of commerce by barge from terminals along the gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

Barge traffic is now, and has been for many years, moving over the Apalachee Bay reach from the terminus of the gulf intracoastal waterways near Carrabelle to the mouth of the Withlacoochee adjacent the proposed gulf terminus of the Cross Florida Barge Canal project and to Ceder Key and other points on the Florida west coast.

The ease of barge navigation and the safety thereof in open waters is not primarily dependent upon condition of wind and water but on the power of the tug. The power of the tugs used on our intracoastal and other inland waterways has been constantly increasing during the past two decades, and relatively short hauls, like that in question, over coastal waters are now routine. Almost all major routine barge movements over our inland waters are now propelled or towed by tug sufficiently powerful to move barges safely in the coastal water of Apalachee Bay.

The route of the Cross Florida Barge Canal was the subject of a very extensive survey—from southern Georgia to central Florida—extending over many years. The final selection of alignment was made in the light of the consideration—among others—that so far as through barge traffic is concerned, the reach in the gulf across Apalachee Bay is entirely practicable for inland barge navigation. This reach is no more haz-

ardous than are the existing and well-traveled reaches of the intracoastal waterways across Mississippi Sound and Chesapeake Bay.

Probably paramount to all of these considerations is the fact that the reach in Apalachee Bay offers a route for barges which is protected from submarine torpedo attacks. Both naval and merchant officers agree that while offering adequate depth for barge movement, the shoals on this part of the coast extend so far out that they preclude the approach of the submerged submarine within effective range.

Congress was fully informed as to, and took cognizance of, this existing reach of the Intracoastal Waterway of the coastal waters of Apalachee Bay, and enacted this authorization in the full light of that knowledge, accepting the judgment of the Chief of Engineers that any hazard to barge navigation in this reach is inconsequential.

In finding that the construction of the Cross Florida Barge Canal will downgrade the economics on which are now justified the Federal expenditures for improving the intracoastal waterways on both coasts of Florida, the committee has overlooked the unanimous agreement of all competent opinion that this project, so far from downgrading these economies, will very greatly enhance them. Typical of this body of informed opinion is that of the Chief of Engineers stated in a letter from him to the Secretary of War under date of March 29, 1945, and approved by the Secretary on April 19. In that letter, the Chief of Engineers says, in part:

Plans have been completed for the early postwar construction of this Cross Florida Barge Canal which connects with the waterways leading north to Norfolk, previously referred to, the waterway from Jacksonville to Miami, which will constitute a principal feeder to these other sections, has been completed to a depth of 8 feet and a width of 100 feet. I am firmly convinced that there will be an ultimate requirement for a project of 12 feet in depth and suitable width to accommodate commercial needs of the waterways from Miami to Jacksonville. This requirement may not exist in the immediate postwar period, but will certainly become necessary when the Cross Florida Barge Canal has been constructed and placed in operation.

In conclusion, I wish to repeat that my respect for the fairness and conscientious regard to the committee for the relation of such public works to the national economy and the national defense inspires me with confidence that they will take the first opportunity to reconsider their conclusion in the light of the foregoing facts.

(Mr. SIKES (at the request of Mr. BENNETT of Florida) was granted permission to extend his remarks at this point in the RECORD.)

Mr. SIKES. Mr. Chairman, first let me express my appreciation and that of my colleagues from Florida to the Subcommittee on Public Works for its consideration and support on a substantial number of deserving Florida projects. I am particularly pleased to see funds approved for such needed projects as the St. Marks Harbor and Channel. This is one of the

most rapidly growing of the smaller ports of the State. It serves as the port of Tallahassee and the Big Bend area of Florida and nearby south Georgia. Despite its growing importance as a port, the inadequate channel facilities require barges to come in light or to wait for high tide. Larger vessels are denied the use of the port for the same reason.

I am glad, too, to note that channel improvements are approved for the Apalachicola River. This is the main artery of the important Apalachicola-Flint-Chattahoochee Waterway. Already it is carrying a heavy traffic load, and when upriver dams are completed, this traffic will double. There is shoaling in the channel which interferes with the optimum use of the channel, and corrections have been recommended by the U.S. Engineers.

Completion of the survey on long needed improvements for East Pass channel at Destin also will be assured by an appropriation item in this bill.

Recognition is given to a growing demand for studies on the need for channels across Santa Rosa Peninsula and Santa Rosa Island. Boat traffic on Pensacola and Escambia Bays originating at Milton, Gulf Breeze, and Pensacola is now denied access to Santa Rosa Sound and the Gulf of Mexico without a long, circuitous trip. Similar recognition is given to the requirement for a survey to determine the need for a navigable channel in the upper Escambia River, Fla., and Ala. This is a growing industrial area which is generating more and more boat traffic.

These are projects which lie in my own district. I am equally appreciative of the consideration shown by the subcommittee in approving other justified and needed projects throughout my State.

In complete frankness, let me state too, I am disappointed in the action of the subcommittee in denying funds for the Florida Cross State Barge Canal. This is a budgeted item. These have been fully screened by administrative agencies and they have been determined to have ample justification. In this case, it is particularly unfortunate that funds were deleted since this year's budget allocation would have completed the preconstruction studies. The entire preconstruction package of design and engineering would have been finished. The only remaining decision would then have been on when to start construction on the project. Full information on which to base that decision would be available. Now, unless the present action is corrected in the Senate, the final stages of the preconstruction package will be left hanging in midair. It is significant that over \$1,700,000 have been spent in surveys, advanced engineering, and design for this project. The \$205,000 originally contained in this bill is a fully justifiable expenditure, and to delete it must be looked upon as poor economy. It will cost more to come back later, pick up the loose ends, and complete the preconstruction package. We consider that the need for the canal has been determined beyond question, and that a

disservice is done to our State by referring further action in this manner.

(Mr. MATTHEWS (at the request of Mr. BENNETT of Florida) was granted permission to extend his remarks at this point in the RECORD.)

Mr. MATTHEWS. Mr. Chairman, I should like to associate myself with the remarks of my colleague the Honorable CHARLES E. BENNETT, of Florida. I think he has given an excellent statement concerning the Cross Florida Barge Canal. I am, of course, very disappointed that the Committee on Appropriations not only disallowed the President's budget request for \$205,000 for advance planning and design of this project, but recommended that Congress be asked to reaffirm a previous authorization before any request is again presented to the Appropriations Committee for funding. The committee report quotes varying benefit-cost ratio estimates, which might lead to the conclusion that this important project is not economically justified, in the absence of a more explicit explanation. I do not believe the committee report reflects the more favorable aspects of this proposed project, and I should like to call the attention of the Members of Congress to the fact that the U.S. Army Corps of Engineers, which is the agency of our Federal Government for evaluating projects of this kind, returned a favorable report on the Cross Florida Barge Canal, and recommended immediate construction. The Engineers' recommendations were based on their own studies, which showed first a benefit-cost ratio for the canal of 1.05 to 1, in 1958, and later upon a reanalysis, a benefit-cost ratio of 1.17 to 1, in 1962, which for rounding out of the figures is given as 1.2 to 1. A private company which made a recent economic evaluation reported a benefit-cost ratio of 4.6 to 1. Now, I realize that the Corps of Engineers cannot accept an economic evaluation by a private company, but it is interesting to note that on the basis of this evaluation, the Corps of Engineers did find a more favorable benefit-cost ratio. I think it is important to point out, also, that each year there is a more favorable benefit-cost ratio from the previous year. With the extraordinary growth of Florida, this benefit-cost ratio could well become more and more favorable with the passage of time.

It is difficult, indeed, to estimate the great good that would result from this Cross Florida Barge Canal. In my opinion its worth to the entire State of Florida and to the Nation is incalculable. It would serve as a connection between the gulf and the Atlantic intracoastal waterways and would provide a new mode of transportation to the immediate tributary area which includes 10 Florida counties, 7 of which are in my district now, or will be added January 1, 1963; namely, Alachua, Clay, Flagler, Levy, Nassau, Putnam, and St. Johns. According to the U.S. Engineers' analysis:

For certain commodities the trade area tributary to the canal is the entire State of

Florida or the southeastern region of the United States.

I think it should be emphasized, also, Mr. Chairman, that this canal will have a tremendous effect on the defense of this Nation. Certainly in the age of space we now find ourselves with the tremendous space operations in Louisiana, Texas, and Cape Canaveral, Fla., this canal would be of tremendous benefit.

I most earnestly hope the Congress will see fit to restore the \$205,000 recommended by the Corps of Engineers and the President for the further planning for the Cross Florida Barge Canal.

(Mr. HERLONG (at the request of Mr. BENNETT of Florida) was granted permission to extend his remarks at this point in the RECORD.)

Mr. HERLONG. Mr. Chairman, I wish to associate myself with the remarks made by the distinguished gentleman from Florida [Mr. BENNETT].

It is true that a great deal of misinformation has been put out on this project, but the misinformation has been put out by the opponents. Of course this is designed to try to confuse the committee and bring about inconsistencies.

The argument that the committee makes in the report to the effect that the Cross Florida Barge Canal would not be feasible if constructed because the western terminus is 8 miles out into the Gulf of Mexico falls flat on its face when confronted with the fact that at the present time a number of barges are using the open gulf between Tampa and St. Marks.

The Clerk read as follows:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, surveys and studies (including cooperative beach erosion studies as authorized in Public Law 520, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, \$16,561,900, to remain available until expended: *Provided*, That \$100,000 of this appropriation shall be transferred to the U.S. Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

Mr. GOODELL. Mr. Chairman, I move to strike out the last word.

(Mr. GOODELL asked and was given permission to speak out of the regular order.)

(Mr. GOODELL asked and was given permission to revise and extend his remarks.)

MANPOWER RETRAINING PROGRAM

Mr. GOODELL. Mr. Chairman, I have asked for this time to speak out of order simply to point out a statement that was made by the President on Monday night in his speech to the Nation which troubled me a great deal. I quote:

Four hundred thousand unemployed men and women are now receiving retraining so that they can find new work in new industries and new jobs.

Mr. Chairman, I think everyone in this body knows I am in deep sympathy with and am greatly interested in the manpower retraining program.

I think that is a disservice to the program. The President says 400,000 people are being retrained. The fact of the matter is that there are exactly zero people being retrained under the manpower bill at this point. It is an unfortunate fact but a true one.

The President mentioned specific examples of individuals who are being retrained. Those individuals are being retrained under the area redevelopment legislation, the depressed areas bill, and there are a total, I am informed, of 9,000 people being retrained under the depressed areas bill. This is a long, long way from the 400,000 which the President indicated are being retrained.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I yield.

Mr. PERKINS. I think the gentleman will find that the President's statement does not limit the 400,000 to the manpower training bill which was passed this year. He meant the Vocational Rehabilitation Act and all the other training programs we now have in effect in this country.

Mr. GOODELL. I just read his statement. If that is not what he said, this is what he meant. First of all, it was misleading, and, second, it is still not true, because the Vocational Rehabilitation Act provides for training 100,000 people this past year. That is the number under the Vocational Rehabilitation Act. Under the vocational education program there were over 3 million people participating. He could not possibly have meant that program. The number of people in the various retraining programs does not add up to anything like 400,000.

Where he got this 400,000 figure I presume is from the projected training that will be done under the manpower bill. In the first year, if it were fully funded, with all the money that was requested, \$100 million for the first year, we could train presumably 160,000 people. In the second year another 250,000 people. In these 2 years, if the program is running well and if we get all the appropriations necessary, we will have trained 400,000 people. That is the figure.

I may say to the gentleman further that I have talked to administration people who are running this program and they tell me they consider this to be an error and they do not know how it got there.

Mr. PERKINS. Mr. Chairman, will the gentleman yield further?

Mr. GOODELL. I yield at this point.

Mr. PERKINS. What the gentleman is now stating is correct as to the number that will be retrained under the manpower bill next year and the year after and in the future.

I believe that the distinguished gentleman from New York is indulging in the game of gnatpicking. If I were to play the same game, I would have no difficulty whatsoever in justifying the 400,000 figure from those being trained under the

area redevelopment program, the veterans program, and the vocational rehabilitation program to mention only a few. In fact, I am advised that for this fiscal year the vocational rehabilitation program has reached the 100,000 mark. This past fiscal year I am advised that the Vocational Rehabilitation Agency in HEW is retraining at the rate of 100,000 annually. I am at a loss to account for my distinguished friend's reasons for his comments, especially when we both know that the President did not sign into law the appropriations bill to fund the Manpower Act until last Tuesday, the day following his television address.

Mr. GOODELL. Mr. Chairman, the President made a speech Monday night to the Nation. Among other things he mentioned the manpower retraining program.

I think all of you are aware of my ardent support for the retraining principle. It makes me unhappy, therefore, to have anyone misrepresent the program or inspire extreme expectations from it.

President Kennedy said, and I quote:

Four hundred thousand unemployed men and women are now receiving retraining so that they can find new work in new industry and new jobs.

Mr. Chairman, unfortunately there is not a single unemployed person receiving retraining today under the Manpower Retraining Act. Two years from now, if Congress appropriates all the money authorized in the Manpower Act, we will have an estimated 410,000 people trained or in training. But that's 2 years from now, not today.

It should not be necessary for the President to exaggerate so grossly in order to defend a good program. It is wrong for him to mislead the American people. What are our people going to say next year when they are told we are training only 160,000 people? What are they going to say 2 years from now when we are training just the 400,000 the President boasted of this week? Mr. Chairman, I sincerely regret this obvious mistake.

Let me emphasize that there are some workers being retrained under the depressed areas bill. The total as of June 30, 1962 was 9,000, a far cry from the 400,000 mentioned by the President. Today I am authoritatively informed there are exactly zero trainees being retrained under the manpower retraining bill.

Actually, the Manpower Act specifically authorized \$5 million to be spent between March and the end of the fiscal year, June 30, so that necessary preliminary studies could be completed and retraining started as soon as possible after July 1. That money was never appropriated because of the appropriations hassle between the House and the Senate.

Up until Tuesday of this week there has been no money available for the manpower retraining program. The President just signed the appropriations bill for labor, health, and welfare, cutting the program from \$100 million to \$70 million. I deeply regret the cut in this particular appropriation. It is a clear example of Congress being penny wise and dollar foolish.

In any event, let the record be clear that there are not 400,000 unemployed men and women "now receiving retraining."

I would hope the President would correct his error to avoid any inference that it was an intentional misstatement of fact. The American people should be able to rely on facts given to them by their President, particularly in a bipartisan program like the manpower retraining legislation.

Mr. Chairman, The President made the statement which I quoted specifically that 400,000 unemployed people are now being retrained. Try as you will, by combining all the various programs that are involved in retraining now, you cannot come up with 400,000.

The vocational rehabilitation program, which is quite apart from the retraining legislation, last year by actual figures retrained 100,000 people. The Area Redevelopment Administration retrained 9,000 people. They have now in retraining 9,000 people. The reason I take the floor is because I believe very deeply in this program. Two years from now, we are going to come back to the Congress and to the people of this country, if the program is successful, and say we are now retraining 400,000 people, and somebody is going to say, "Why President Kennedy said 2 years ago you were retraining 400,000 people." It should be clear to everyone here and to the country that at this point, we are retraining absolutely no one under the manpower bill.

Mr. PERKINS. Mr. Chairman, will the gentleman yield?

Mr. GOODELL. I will be glad to yield at the end of my statement. I do not want to be cut off in what I want to say.

The combination of all programs does not reach 400,000 even if you stretch your imagination in every direction. We hope that we will get the appropriations to do the job of 400,000 in the next 2 years, but the Committee on Appropriations just cut the first year's appropriation from \$100 to \$70 million and when I talked to the people at the Labor Department and asked them how many they are retraining today, they said "Under the manpower bill in the Labor Department, no one, because we have not got the money yet. We specifically in the retraining legislation which was signed by the President in March put in an authorization for \$5 million between March and June 30 hoping to get the preliminary studies done and start retraining some of these people on the 1st of July. Unfortunately, the appropriation never went through and the \$5 million never became available. So there has been no preliminary study made and there is no one being retrained under the manpower bill. I say this in the greatest sympathy. I approve of the program, obviously. I wish more people were being retrained, but I did not want any misinterpretation of these comments.

Now I am delighted to yield to my colleague, the gentleman from Kentucky.

Mr. PERKINS. Mr. Chairman, I want to state that the gentleman is cor-

rect insofar as his statement applies to the general manpower bill.

Mr. GOODELL. Mr. Chairman, I decline to yield further at this point. The gentleman said all of this the last time. The gentleman can ask for his own time to answer, if he will. The gentleman said all this the last time, but I have been through the figures and those now being retrained in all programs do not add up to 400,000 even if you use your imagination on it.

Mr. JOHNSON of Maryland. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Johnson of Maryland: On page 3, line 23, strike out "\$16,561,900" and insert in lieu thereof "\$16,576,900".

(Mr. JOHNSON of Maryland asked and was given permission to revise and extend his remarks.)

Mr. JOHNSON of Maryland. Mr. Chairman, I rise in support of my amendment which would provide \$15,000 for a much needed survey of the Rock Hall Harbor in Maryland. First, however, I wish to commend the Committee on Appropriations for their labors on the public works appropriations bill. With a great need for such improvements in our country, I am aware of the difficult task that confronts the committee in drafting a bill that would meet the need of the many meritorious projects throughout our country.

In my district, there are several approved resolutions for surveys. And I am sure many other Members of Congress have proposed projects in their districts in which they are vitally interested. The First Congressional District of Maryland and, I may add, the State of Maryland are perhaps confronted with as many navigational problems as any State in the Union. Many of our people and a great segment of our economy are dependent upon our innumerable waterways.

In particular, there is urgent need for harbor facilities at Rock Hall. Some years ago the Federal Government spent a considerable amount of money to provide Rock Hall with an anchorage area. Now apparently, the breakwaters have either sunken or the water level has raised, rendering the project ineffectual. During May of 1959, General Person, Assistant Chief of Engineers for Civil Works, stated that a study for this particular harbor was warranted, that there may be fuller utilization of the facilities. I have therefore endeavored to secure the necessary funds for the survey under section 107 of the Rivers and Harbors Act of 1960. It was only the past date that I was informed by the Corps of Engineers that the project in question could not qualify under this particular act. Feeling that the proposal was not only meritorious but urgently needed I talked with the chairman of the committee today, who advised me that the committee would accept my amendment.

I want, therefore, to thank the very able chairman as well as the members of the committee for their cooperation and interest in this project.

The CHAIRMAN (Mr. Boggs). The question is on the amendment offered by the gentleman from Maryland [Mr. JOHNSON].

The question was taken; and on a division (demanded by Mr. CANNON), there were—ayes 17, noes, 67.

So the amendment was rejected.

The Clerk read as follows:

CONSTRUCTION, GENERAL

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); \$762,361,000, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, general", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That \$600,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

Mr. BATES. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I had hoped that the atomic energy authorization bill, which is now in conference, would be enacted into law by this time so this public works bill could contain funds for a marine products development irradiator, as recommended by the Joint Committee on Atomic Energy.

The Joint Committee held exhaustive hearings on the food irradiation programs of both the AEC and to the Department of the Army, and concluded that the AEC program is not receiving the financial support that it deserves, based upon recent technical advancements. Therefore, the Joint Committee, after careful deliberation, added two projects to the AEC authorization bill for fiscal year 1963, H.R. 11974. These projects were project 63-j-2, marine products development irradiator, \$600,000; and project 63-j-3, two mobile irradiators, \$700,000.

In its report, the Joint Committee, after discussing the hearings, the status of the program, and the technical details of these projects, concluded as follows:

Food irradiation, when perfected after more research, will not replace commercial refrigeration equipment, but can be a useful supplement, extending the shelf life of many perishable commodities.

The Joint Committee believes that these projects should be initiated in fiscal year 1963 in order to keep the program moving ahead and to obtain further data. Detailed studies on biochemical factors, and changes

in order and taste, are needed to assure the safety and acceptability of irradiated products for human consumption.

The Joint Committee has included these two projects, totaling \$1,300,000, in this bill, and recommends that the necessary funds be appropriated for construction and operation. These would include \$1,400,000 operating funds for the AEC food and irradiation program during fiscal year 1963.

It is the Joint Committee's belief that this modest increase of funds will bring very worthwhile results.

I understand that the Appropriations Committee has recommended \$516,000 from the isotopes development program and \$200,000 from the biology and medicine program, making a total of \$716,000 available for food irradiation development during the next year. I recognize that this is \$216,000 higher than the \$500,000 requested by AEC, and I wish to express my thanks to the Appropriations Committee for recognizing the importance of this program. However, I believe that \$716,000 is still a very small amount for this promising area of research and development. Food irradiation, if further perfected, could bring great benefits to the fishing industry, and to the producers of certain agricultural products, particularly fruits and vegetables, by extending shelf life and thus making wider distribution possible.

AEC Chairman Seaborg proclaimed before the world, at the International Atomic Energy Agency's General Conference in Vienna last September, that the United States was embarking on a 5-year food irradiation research program as part of our atoms-for-peace program. The United States could be embarrassed by failing to follow through with this program which is of great potential interest to other countries, as well as to our own industries and consumers.

I hope, therefore, that the Senate will provide an additional \$600,000 construction funds for the marine products development irradiator, and approximately \$1 million additional operating funds for the two mobile irradiators and associated operating expenses.

I hope further that, if the Senate does provide these increased funds, the House will agree to the increase, which is small in terms of dollars compared to the total amount in the bill, but large in terms of potential benefits.

In summary, Mr. Chairman, the AEC food irradiation program has tremendous possibilities for our fishing, agricultural and food distribution industries. A few more dollars well spent on research and development now can bring great benefits to our country, as well as to our atoms-for-peace program.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. BATES. I am delighted to yield to the gentleman from California [Mr. HOLIFIELD].

Mr. HOLIFIELD. Mr. Chairman, I would like to say to my colleague on the Atomic Energy Committee that I believe this irradiation program is a very important program.

If the gentleman will yield further, I would like to ask one of the gentlemen of the Committee on Appropriations, preferably the chairman of the commit-

tee, the gentleman from Missouri [Mr. CANNON], how much money is included in the bill at this time for food irradiation?

Mr. CANNON. In response to the gentleman's inquiry, there is included the sum of \$516,000 in the isotope development program and some \$200,000 in the biology and medicine program, making a total of over \$700,000.

Mr. HOLIFIELD. As I understand the response of the chairman of the Committee on Appropriations, there is now \$716,000 in the bill, but there is an item of \$600,000, I believe, that has been eliminated; is that not true?

Mr. CANNON. We eliminated nothing, but we did not include unbudgeted items. The item to which the gentleman refers was not budgeted and, therefore, we could not include it.

Mr. HOLIFIELD. The chairman has rightly said that the item in which the gentleman from Massachusetts [Mr. BATES], and I are interested was not a budgeted item. But I would like to also add my word of commendation to this item.

Mr. Chairman, the irradiation of food is becoming a very important and promising method of preservation. I hold here in my hand, for instance, a piece of beef that was irradiated in 1961—in November 1961. It has had no refrigeration. Yet it is in a condition today where it is ready to be eaten; just put it in the stove and cook it and eat it. This is true even though there has not been refrigeration. However, there has been irradiation.

Now, there is a further item in which our committee is interested, and the entire committee unanimously supported it, having to do with an irradiation machine that would cost about \$600,000 which would irradiate fish on the seaboard, on the gulf, on the west coast, on the east coast, and it would make these fish available for inland consumption 6 or 7 days later without any kind of refrigeration.

Mr. Chairman, this is a very important science. While I do not intend to offer an amendment on this point at this time I do hope that the gentlemen who are conferees—if this item is a subject of conference in the conference—will look with favor upon it, because it promises a great deal of good to the people of America in getting food many times at places where otherwise they could not get it, and adding to the shelf life of food. For instance, with reference to tomatoes and strawberries it has been proven that their shelf life can be extended several days—5 or 6 days—as a result of irradiation. This is important in the shipment of food and makes it possible to keep the food a longer period of time while it is shipped to more distant places. So, this is a real important factor. The amount involved is only \$600,000. It is still in the research and development stage. It has not been completely proved yet, but it has been developing for several years. I do hope that the Committee at the proper time will look with favor upon the restoration of this item.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. BATES] has expired.

(Mr. CANNON asked and was given permission to proceed for 1 minute.)

Mr. CANNON. Mr. Chairman, I am glad to have the opportunity to say to my distinguished friend, the gentleman from California [Mr. HOLIFIELD], that, while the committee was much interested in the subject, we labored under the disadvantage of not having an authorization. We had given notice early in the session that all authorization bills must be completed if they expected such authorized items to be included in the bill. Notwithstanding our importunities, at the time we had to mark up the bill—and we delayed the bill as long as possible—we did not yet have the authorization. The authorization bill is today still in conference.

How can we make an appropriation when, even at this late date, there is no authorization?

We would have been glad to include items in which the gentleman is interested had they been authorized. I trust in the future the legislative bill can have earlier attention.

Mr. HOLIFIELD. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I want to say that what the Chairman has said is correct. The authorization bill is still in conference and I understand the burden with which the committee has had to contend. I want to say in general that I think the committee has treated the Atomic Energy appropriation most fairly, and while this is such a small item that I hate even to get on my feet and mention it, I do believe from a scientific research standpoint it is an important item and I hope we can come back with a proper authorization in time so that the committee can take care of it.

Mr. CANNON. Mr. Chairman, I am certain, if the gentleman will yield to me, he will find the committee ready to cooperate.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Chairman, as the chairman of the Joint Committee on Atomic Energy has said—and I agree with the statement made by my colleague from Massachusetts [Mr. BATES], this is an important item. If it had been budgeted it would be in this bill. I would hope that by the time the AEC authorization bill is finally approved and signed, and if the item is added in the Senate, the committee will retain it in conference. I am sure it will.

I am familiar with the work that the gentleman from Massachusetts has done in this area and, as explained by the chairman of the Joint Committee on Atomic Energy, it is a field in which we ought to advance more rapidly. We cannot do it without the necessary facilities and equipment. The \$600,000 will be a start in this direction. I am sure if it is put in in the other body we will retain it in conference.

Mr. HOLIFIELD. I thank the gentleman very much.

Mr. CANNON. Mr. Chairman, will the gentleman yield further?

Mr. HOLIFIELD. I yield.

Mr. CANNON. May I supplement what has been said by again calling the attention of all legislative committees to our entreaty early in the session for necessary authorizations required for the annual supply bills. I trust that the legislative committees will in the next session provide authorizations in time for us to consider them on their merits. We delayed the supply bills as long as possible. It is our regret that we could not have included items of great importance to the country because they were not yet authorized.

Mr. BATES. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Massachusetts.

Mr. BATES. Mr. Chairman, in view of the colloquy had here today, I shall not offer an amendment, but I sincerely trust that this item will be accepted in the conference.

(Mr. BATES asked and was given permission to revise and extend his remarks.)

Mr. PRICE. Mr. Chairman, I move to strike out the requisite number of words.

(Mr. PRICE asked and was given permission to revise and extend his remarks.)

FUNDS NEEDED FOR THE AEC FOOD IRRADIATION PROGRAM

Mr. PRICE. Mr. Chairman, on March 6 and 7, 1962, the Subcommittee on Research, Development, and Radiation held hearings to review the Atomic Energy Commission and Army food irradiation programs. Since 1960 the Army Quartermaster Corps has been working on high dose sterilization of food, and the AEC has been assigned responsibility for the low dose pasteurization program.

Testimony received during the hearings showed that considerable technical progress has been made. The Department of the Army, for example, has submitted to the Food and Drug Administration a request for final approval for regular use of irradiated bacon. In Canada, potatoes are being commercially processed by means of cobalt irradiation. One scientific expert testified that, in his opinion, Canadian authorities approved the use of irradiated potatoes for consumer consumption on the basis of technical data developed within the United States.

During the course of the hearings held before my Subcommittee on Research, Development, and Radiation in March of this year, Dr. Bernard Schweigert, of the Michigan State University, had this to say about the importance of the AEC food irradiation program:

It has come to my attention that no provision for support of the radiation pasteurization of foods program has been made in the budget that has been submitted to Congress. The profound implications of such a step to the research program on peacetime use of atomic energy, to the impact on understanding and leadership relationships with scientists and other international leaders, and to benefits to society in general merit reevaluation.

The implications of the recommendations to terminate this program go far beyond any possible scientific question on the program's merit. It will be recalled that a

critical public relations problem occurred with leaders in the United States and in other countries some years ago when the Quartermaster program was reappraised.

Any action by the United States to drop the support of a scientific program initiated only a few years ago and when preliminary promising results were being obtained, is indefensible from a scientific standpoint in my judgment. One of the greatest issues of our time is the improvement in the preservation of food for the rapidly expanding world population."

Another witness, Dr. Samuel Goldblith, of the Massachusetts Institute of Technology, predicted:

Within the next 12 to certainly the next 18 months we are going to have definitive data to present to industry, to all interested parties: "These are the data and this is what the process will do, and these are the data on the wholesomeness and so on. Here is a process. Do you want it or don't you?"

During the hearings references were made to the part the AEC food irradiation program has in the atoms-for-peace program and the adverse effect the cutback will have in the overall program. Of pertinent significance was the fact that Dr. Glenn T. Seaborg, Chairman of the Atomic Energy Commission, in a speech before the International Atomic Energy Agency in Vienna on September 27, 1961, drew attention to the U.S. belief in the program and recommended it to the Agency. He stated:

My Government would like especially to commend to the Agency the study of low dose radiation as a means of preserving food. The development of this technique could significantly improve the distribution of wholesome and nourishing food to many areas of the world. My own country recently initiated a 5-year research program in this area. The Agency, in cooperation with international organizations such as the Food and Agriculture Organization, might profitably undertake such research, convene meetings, arrange for expert advice, and furnish radiation sources. The Agency may be especially effective in establishing research centers in this field, with special consideration for those countries having limited scientific and financial resources and which are most likely to benefit. My own Government is prepared to support the Agency in developing such a program. I note that the Food and Agriculture Organization, the World Health Organization, and the Agency are sponsoring a conference in Brussels on the evaluation of the wholesomeness of irradiated foods.

We were pleased to find out that the Department of the Army, during the past 2 years, has become an enthusiastic supporter of the Quartermaster Corps' food irradiation program. The committee ascertained, however, that the AEC's complementary low dose program was in jeopardy. The AEC had programmed \$2.8 million for food irradiation work for fiscal year 1963, which funds were eliminated in total by the Bureau of the Budget. It was brought out during our hearings that the Bureau of the Budget deleted these funds because of overriding priorities of the space program. When we announced the committee's intention to hold hearings, the Commission decided to attempt to carry on its program through the transfer of \$500,000 of operating funds from other projects.

On the basis of the Joint Committee's review of AEC and Army food irradiation programs, through its Subcommittee on Research, Development, and Radiation hearings of March 6 and 7, 1962, and AEC authorization hearings by the Subcommittee on Legislation in May 1962, the Subcommittee on Legislation has added the following two line items to the AEC's fiscal year 1963 authorization bill:

Project 63-j-2, marine products development irradiator-----	\$600,000
Project 63-j-3, two mobile irradiators-----	700,000

These were originally included in and recommended by the Commission in its fiscal year 1963 budget on the basis of technical and scientific needs. The Joint Committee accordingly recommended that they be included in the fiscal year 1963 authorization bill.

In addition to the \$1.3 million for the irradiators an operating budget of \$1.4 million is needed to adequately support this important program.

Mr. GROSS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GROSS: On page 4, line 15, strike out the figure "\$762,361,000" and insert "\$760,861,000."

(Mr. GROSS asked and was given permission to revise and extend his remarks.)

Mr. GROSS. Mr. Chairman, I will make this very brief. My amendment would strike out the \$1,500,000 for a yacht harbor, or a yacht basin, in connection with the New York World's Fair. I was under the impression and I am sure many other Members of the House were under the impression when the House voted \$17 million for the New York World's Fair that the sponsors would not be back with their hands in the pockets of all the taxpayers for more money. I reiterate that all my amendment does is take out the \$1,500,000. I hope the Members will support it in the interest of economy.

Mr. DELANEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. DELANEY. This amount is not in support of the World's Fair. It is merely coincidental. Flushing Bay is being dredged. It is a permanent improvement for that area. All that was done here was to advance it so that the dredging would not take place at the exact same time the World's Fair was in progress. It has been authorized.

Mr. GROSS. There is some question about whether it has been authorized.

Mr. DELANEY. I mean, it is in the authorization bill.

Mr. GROSS. I do not believe the authorization bill has been passed.

Mr. ROONEY. Mr. Chairman, will the distinguished gentleman from Iowa yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. ROONEY. Of course this appropriation is authorized. According to the Corps of Engineers, this project has a benefit-to-cost ratio of 3.3 to 1. This

appears at page 1079 of the printed hearings, part 5. Further, the local contribution to the Federal project will be in the amount of \$1,154,000.

Mr. GROSS. But it still is a yacht basin to be used in connection with the World's Fair.

Mr. ROONEY. That is correct, to a certain extent. It is only a small part of the justification.

The details are contained in this letter from the Honorable Robert Moses under date of May 14, 1962, addressed to the distinguished gentleman from Missouri [Mr. CANNON]:

DEAR CONGRESSMAN CANNON: I request that there be included in the Army civil functions bill for the fiscal year 1963 a sum to accomplish the Flushing Bay and Creek project in time for the New York World's Fair which will open on April 22, 1964.

The project is in progress of modification pursuant to resolution of the Committee on Public Works, House of Representatives, dated June 7, 1961. The district and division engineers and the Board of Engineers for Rivers and Harbors have recommended favorably on the improvement. I have been assured that the report will shortly reach Congress and will be included in the river and harbor omnibus bill now before the Public Works Committees of Congress.

The improvement proposed, in brief, provides for the deepening of the channel and maneuvering area from 12 to 15 feet mean low water; the widening of the bay channel from 200 to 300 feet; increasing the present 8-foot anchorage to 84 acres at 6-foot depth; and construction of a breakwater. The improvement is described in greater detail in the attached copy of public notice, dated April 18, 1962, issued by the Acting Division Engineer, North Atlantic Division.

The estimated Federal cost is \$2,315,000, including \$622,000 for completion of the existing project to authorized depth. The local contribution, which is 50 percent of the recreational features, is estimated at \$1,154,000. The project is sound, it has a benefit-cost ratio of 3.3, it will meet the present and growing needs of the community, and its timely accomplishment is essential to the waterway approach to the New York World's Fair in 1964-65 by private boat and commercial water transportation.

In addition to the local contribution of \$1,154,000 to the Federal project, there will be expended \$4,500,000 by the State, city, fair, and private interests for the largest marina and boating center (2,000 boats) on the east coast, for shore line rehabilitation, pollution abatement, and for miscellaneous dredging beyond the limits of the Federal project. Commercial interests have just completed, at a cost of several million dollars, a new bulk cement distribution plant on the creek, and other commercial improvements are contemplated.

I recognize that seeking an appropriation prior to authorization is unusual. However, I believe the circumstances warrant the request. At least a year will be required to do the dredging and construct the breakwater after the Corps of Engineers receive the funds. Assuming that fiscal year 1963 money will be available by September 1962, the work could be done by September 1963. We cannot wait for the fiscal year 1964 appropriation bill. The work would then not be completed until September 1964, or 5 months after the fair opens on April 22.

The city of New York and the fair corporation are prepared to promptly fulfill all the items of local cooperation. The local contribution has been budgeted for and will be forthcoming promptly upon notice of Federal appropriation. I urge that you include in the Army civil functions bill for

fiscal year 1963 \$2,315,000 for the Flushing Bay and Creek project subject to authorization in the current river and harbor omnibus bill.

Respectfully yours,

ROBERT MOSES,
President.

Mr. BOLAND. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would hope the Committee would not accept the amendment. This is a project, as the gentleman from New York said, which is connected with the World's Fair, but it is only coincidental with it. The project was originally authorized back in 1925 and built in 1937. This project calls for the deepening of the present channel from 12 to 15 feet. Authorization for this 3-foot additional depth is before the Public Works Committee. This is something which is not new. I am talking specifically about recreational facilities. We have this in a great number of States all over the Nation. We ought to do it for New York I am sure, as all members of this Committee recognize, that New York certainly pays its share of the taxes that go to support our Government. Here is a project which is being built in connection with the World's Fair. We did authorize the expenditure of some \$17 million and appropriated \$17 million for a building at the World's Fair. This is a separate item, and I hope the Committee will not accept the amendment offered by the gentleman from Iowa. This area is entitled to this project, and I sincerely hope the Committee votes the amendment down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The amendment was rejected.

Mr. KLUCZYNSKI. Mr. Chairman, I move to strike out the last word.

(Mr. KLUCZYNSKI asked and was given permission to revise and extend his remarks.)

Mr. KLUCZYNSKI. Mr. Chairman, am very glad to see that the Appropriations Committee included an item of \$700,000 for repair and rehabilitation of the Illinois and Mississippi Canal for recreation purposes. This is a project which has been dear to my heart. As a member of the Public Works Committee, I had considerable responsibility in securing its adoption. Unfortunately, however, there appears to have arisen some misunderstanding with respect to the present situation, particularly that concerning efforts being made by our Governor, the Honorable Otto Kerner. I would like to set the record straight on this matter by supplying the following information.

The Illinois & Mississippi Canal is a long abandoned waterway of the United States which has become obsolescent. Because of the heavy cost of maintaining this obsolete waterway and keeping it in a safe condition, and because of the fact that portions of the waterway offered potentially valuable recreational possibilities, a report was made by the Corps of Engineers in which it was recommended that the canal be abandoned as a commercial waterway and turned over to the State

of Illinois for development as a recreational facility. The cost of putting the canal in shape for such a transfer was estimated at \$2 million. This was included as a project in the 1958 omnibus river and harbor and flood control bill, Public Law 85-500. As a member of the House Public Works Committee I followed the history of this, as the project was presented to the committee and made every effort in my power to secure favorable consideration by the committee and eventually by the Congress. Much of the work has been done and the amount of \$700,000 in the pending appropriation bill will represent a major step toward completion of this project.

In view of the increasing demand for recreation in the State of Illinois of which the Governor and I are equally aware, it has been considered that the Corps of Engineers might possibly be requested to review their previous reports with a view to determining whether or not work could be done on the canal, beyond that contemplated in the original legislation, which might put it in a better position to be used as a base for a full-fledged recreational development. There was no thought of any restudy of the canal for a possible development of a through commercial waterway. After conferences and discussions on this matter, the chairman of our committee, the Honorable CHARLES A. BUCKLEY, of New York, at my request, asked the Chief of Engineers for his views on the desirability and cost of a study for the purpose of rehabilitating the canal for recreational purposes. Subsequent to that request, and prior to any reply from the Chief of Engineers, the Governor wrote me a very complete and detailed letter on August 2 of this year reaffirming the situation as I have outlined it above.

In order to give the Chief of Engineers all information in his consideration of the matter, the chairman of the committee, at my request, forwarded a copy of the Governor's letter to the Chief of Engineers. On August 14, 2 days ago, I wrote to the Governor acknowledging his letter and explaining that the committee was requesting the views of the Chief of Engineers on a proposed further study. When the comments of the Chief of Engineers are received by the committee I will study them very carefully and request the chairman to take whatever action seems appropriate.

I can assure you, Mr. Chairman, and all interested Members that I will not take any action which would result in halting any of the work being carried on under the existing project. Any statements made to the contrary are based on lack of accurate information and misunderstanding of the situation as it exists. If it appears that further studies are appropriate which will not interfere with the work now being undertaken, I will make every effort to see that such studies are authorized by our committee and funded when necessary.

I want to emphasize my statement that the project in which I have been so interested will not be stopped and that the best course of action, which will be dependent to some extent upon receipt of the views of the Chief of Engineers,

will be followed for the welfare of the people of the State of Illinois in the preservation of this great historic and potentially valuable facility.

The Clerk read as follows:

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Beach Erosion Board; commercial statistics; and miscellaneous investigations; \$13,580,000.

Mr. PERKINS. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, I ask unanimous consent to proceed out of order.

The CHAIRMAN. Is there objection to the request of the gentleman from Kentucky?

Mr. CANNON. Mr. Chairman, reserving the right to object, the subject matter under discussion between the two gentlemen is completely extraneous to the pending bill, and is not in order and is an imposition on the House and I, therefore, regret that I must object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed seventy-two passenger motor vehicles for replacement only; purchase of two aircraft for replacement only; payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information of evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461-467): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head "General Investigations".

Mr. ROOSEVELT. Mr. Chairman, I move to strike out the last word and ask unanimous consent to speak out of order.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

[Mr. ROOSEVELT addressed the Committee. His remarks will appear hereafter in the Appendix.]

(Mr. ROOSEVELT asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, I move to strike out the last word.

(Mr. FASCELL asked and was given permission to revise and extend his remarks.)

Mr. FASCELL. Mr. Chairman, the distinguished chairman of our Appropriations Committee has done an excellent job on a very large and important bill. All of us represent the great interest of our people back home in the vital public works projects which Chairman CANNON's bill will move forward to completion.

The Fourth District of Florida is gratified at the favorable consideration given its projects by the hard-working members of the Appropriations Committee. The total budget request to initiate and complete vitally needed flood control measures within our State was approved. Records compiled by the Central and Southern Florida Flood Control District show that the partially completed works of this project, now about one-third complete, have already prevented over \$84 million in flood damage; this is more than has been appropriated by the Federal Government to date and is proof of the high benefit-cost ratio of the State's flood control project. Included in the \$13,500,000 approved for flood control in Florida this year are funds to complete Little River Canal extension and Black Creek Canal in Dade County, and continuation of levees encirclement of conservation area No. 3 in Dade and Broward Counties.

Also approved by the committee as requested by the President, is \$800,000 to continue the Intracoastal Waterway from Jacksonville to Miami. It is estimated these funds will allow for dredging of the waterway from south of West Palm Beach to a point about 5 miles north of Boca Raton.

I am very pleased that the full budget request of \$400,000 for construction of the Miami Harbor has been approved by the committee. Even with the existing facilities which are totally inadequate and outmoded, the port of Miami according to a recent survey, is the second largest cruise passenger port in the United States; cargo tonnage passing over these facilities has increased approximately 75 percent since October 1957. With the tremendous increase in population in the south Florida area and with the stepped-up industrial activity which we have been witnessing in recent years, early completion of this new port facility becomes increasingly important. I am proud of the fine progress which has been made thus far on this construction and am further pleased to report that local interests have already contributed about three-fourths of the required local contribution.

Another approved project on which funding is getting underway in this bill is the Bakers Haulover Inlet in my district. The bill carries \$15,000, as requested by the President, for preconstruction planning. Hurricane Donna in 1960 and the numerous and severe storms which have occurred since that time

have caused such deterioration at this inlet that navigational benefit of the north and south jetties there has been entirely dissipated. The approved project provides for the reconstruction of these jetties.

The county has already spent \$110,000 on various maintenance projects; it is still spending money to keep the situation in hand but these makeshift efforts are ineffective and very costly. From an engineering standpoint, only reconstruction of the entire north wall, which is the minimum now required to prevent real disaster to the county's park property, restaurant, and even roads and bridges, can justify additional expenditures of effort and money. Local interests feel, and I support them in their position, that in light of the existing authorization, it is necessary and sensible to consider allowing for this reconstruction during this coming year. The Corps of Engineers estimates they do have a \$40,000 construction capability for this project during the coming year.

I hope this matter will receive additional consideration in the Senate when it is called up. Guarantees have already been submitted to the Corps of Engineers that the county is ready, willing, and able to provide all of the local contributions needed to match any additional Federal funds that may be forthcoming to undertake this badly-needed construction. The county has made \$100,000 immediately available for this purpose.

I take this opportunity to assure the committee of the gratitude of the people of my district for the careful and thorough consideration they have devoted to public works projects in south Florida. The gentleman from Missouri, Chairman CANNON, and his committee have always been extremely cooperative and helpful in granting full opportunity for review of our authorized projects which need early funding, and the residents of south Florida join me in this expression of thanks.

The Clerk concluded the reading of the bill.

Mr. CANNON. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with the recommendation that the bill do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Boggs, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, had directed him to report the bill back to the House with the recommendation that the bill do pass.

Mr. CANNON. Mr. Speaker, I move the previous question on the bill.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I ask for the yeas and nays.

The yeas and nays were refused.

The bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE TO EXTEND REMARKS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks in the RECORD on the bill just passed prior to the vote on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

EXTENSION OF REMARKS

Mr. GOODELL. Mr. Speaker, I ask unanimous consent that my second remarks made in the Committee of the Whole, and out of order, be included with the original remarks I made in consecutive order.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

PERMISSION TO FILE REPORTS

Mr. SISK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMITTING FOR 1 YEAR THE GRANTING OF NATIONAL SERVICE LIFE INSURANCE TO CERTAIN VETERANS HERETOFORE ELIGIBLE FOR SUCH INSURANCE

Mr. SISK, from the Committee on Rules, reported the following privileged resolution (H. Res. 763, Rept. No. 2242), which was referred to the House Calendar and ordered to be printed:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12333) to amend title 38, United States Code, to permit, for one year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the

Committee on Veterans' Affairs now in the bill. No other amendment to the bill or committee substitute shall be in order except amendments offered by direction of the Committee on Veterans' Affairs, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of such consideration, the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

Mr. FORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. FORD. Mr. Speaker, is my understanding correct that the gentleman from California is moving for the consideration of the rule, and if this is approved by a two-thirds vote, then we will consider the rule, which also has to be approved by a two-thirds vote. Also is the rule granted by the Committee on Rules in reference to H.R. 12333 a closed rule with a motion to recommit with instructions?

The SPEAKER. The resolution has not been reported as yet, and the gentleman from California has not yet made a motion; but, assuming the gentleman from California offers a motion for the present consideration of the resolution, the question of consideration would be submitted to the membership without debate and a two-thirds vote would be necessary to consider the resolution. If the question of consideration was decided in the affirmative the resolution would then be considered under the regular rules of the House, providing 1 hour of debate, one-half of the time to be assigned to the member of the Rules Committee on the minority side in charge. At the termination of the hour, there would be a majority vote on the adoption of the rule.

Mr. FORD. I thank the Speaker. I appreciate his consideration and explaining the parliamentary situation.

Mr. SISK. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 763, and ask for its immediate consideration.

The Clerk read as follows:

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 12333) to amend title 38, United States Code, to permit, for one year, the granting of national service life insurance to certain veterans heretofore eligible for such insurance, and all points of order against said bill are hereby waived. After general debate, which shall be confined to the bill, and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Veterans' Affairs, the bill shall be considered as having been read for amendment. It shall be in order to consider without the intervention of any point of order the substitute amendment recommended by the Committee on Veterans' Affairs now in the bill. No other amendment to the bill or committee substitute shall be in order except amend-

ments offered by direction of the Committee on Veterans' Affairs, and said amendments shall be in order, any rule of the House to the contrary notwithstanding, but such amendments shall not be subject to amendment. At the conclusion of such consideration the Committee shall rise and report the bill to the House, with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion, except one motion to recommit with or without instructions.

The SPEAKER. The question is, Will the House now consider House Resolution 763?

The question was taken; and (two-thirds having voted in favor thereof) the House agreed to consider House Resolution 763.

Mr. SISK. Mr. Speaker, I yield to the gentleman from California [Mr. SMITH] 30 minutes and, pending that, I yield myself such time as I may consume.

Mr. Speaker, House Resolution 763 will make in order the consideration of H.R. 12333. It provides for 1 hour of general debate and for a closed rule.

Mr. Speaker, this bill is now before us and, as amended, would authorize for a 1-year period only the granting of national service life insurance to veterans heretofore eligible to apply for such insurance before October 8, 1940, and December 31, 1956, inclusive. The 1-year period during which eligible veterans could purchase the insurance would begin 1 year after the date the bill is enacted.

Mr. Speaker, there are two types of insurance which will be issued under this bill. One to persons in good health, and another to persons whose service-connected disability would be compensable if 10 percent or more in degree. However, most types of insurance would be nonparticipating. There would be no dividends; only permanent life insurance could be purchased. There would be no term insurance.

Mr. Speaker, in other words, the bill is very limited in its scope, but it does make it possible for this 1-year period for veterans to secure in this limited fashion national service life insurance.

Mr. Speaker, I urge the adoption of House Resolution 763 to permit debate upon this bill, and I reserve the balance of my time.

Mr. SMITH of California. Mr. Speaker, I yield myself 10 minutes.

(Mr. SMITH of California asked and was given permission to revise and extend his remarks.)

Mr. SMITH of California. Mr. Speaker, I think we are faced with somewhat of a complicated situation here today which is a little bit like playing musical chairs insofar as I am concerned. But in any event, permit me to try to tell the Members of the House how I understand the situation.

Mr. Speaker, a week ago Monday we had this bill scheduled for consideration on the Suspension Calendar. At that time it was removed and sent to the Rules Committee. Yesterday afternoon we were notified—the members of the Rules Committee—that this bill would be heard today in the Rules Committee.

It was heard today, and we granted a rule on the bill providing for 1 hour of debate, with a closed rule, with the exception of one motion to recommit.

Mr. Speaker, the reason why we granted a closed rule was because at the particular time we understood that probably the House will now adjourn after today until a week from this coming Monday so people can go home and see their families and so forth and so on. But in any event the closed rule was granted because we were a little bit concerned as to whether or not, if we left it as an open rule, it would open up the complete subject of veterans' affairs. Some of us felt it would not, that it would be strictly confined to the insurance sections. But in any event, in order to take care of that question we granted a closed rule, with one motion, a motion to recommit.

I understand the gentleman from Ohio [Mr. AYRES] will offer a motion to recommit the bill to the committee with instructions that the language be changed to limit it to insurance for service-connected disability cases. As I understand it—and I shall ask some questions of the chairman of the committee, the gentleman from Texas [Mr. TEAGUE], later on to verify this—the gentleman from Texas is in favor of the motion to recommit. In any event, Mr. Speaker, we are considering this particular bill, H.R. 12333, under a rule providing for 1 hour of general debate. It is a closed rule with the exception of permitting a motion to recommit.

Mr. Speaker, in reviewing this particular subject, may I state that in April 1951 the 82d Congress enacted Public Law 23 which, among other things, terminated the sale of National Service Life Insurance to veterans of World War II. Now, more than 11 years later, the pending bill, H.R. 12333, will reopen the sale of this Government life insurance, not only to World War II veterans, but also to millions of other veterans who served in the Armed Forces between the end of World War II and January 1, 1957. All told, H.R. 12333 will make NSLI available to a group of approximately 16 million veterans, the vast majority of whom have no service-connected disabilities.

During my tenure as a member of the Committee on Veterans' Affairs—and I say to the gentleman from Texas [Mr. TEAGUE] that I have the greatest respect for him and I am certain every Member of the House has the greatest respect for him—this was a problem that we had over many years. The committee on several occasions thoroughly considered and rejected a large number of very similar bills after full and fair public hearings had been held on the merits—bills similar to the one we are considering today.

My recollection is that these previous bills were rejected principally because the committee felt that it was neither an obligation nor a proper function of the Federal Government to make Government life insurance available to veterans, other than those who because of service-connected disabilities cannot buy their life insurance from private insur-

ance companies at normal rates. It is my further recollection that the last three administrations have consistently voiced strong opposition to all such NSLI reopening bills in principle, insofar as they affected nonservice-disabled veterans.

My recollections are confirmed in most important respects by a memorandum dated March 22, 1962, prepared by the Committee on Veterans' Affairs. While this memorandum deals primarily with the subject of service-connected compensation increase bills, it also contains some very significant and revealing facts about the history of NSLI reopening legislation which I feel should be brought to the attention of this body today. For example, here is some information in this memorandum:

There are few pieces of legislation which have received as much consideration as the proposal to reopen the national service life insurance program, despite the claims of its Senate sponsor that the bill has not had fair consideration. The Committee on Veterans' Affairs has in the 82d, 83d, 84th, 85th, and 86th Congresses held hearings on proposals to reopen the national service life insurance program.

In each instance these bills have been rejected by the Subcommittee on Insurance. The Veterans' Affairs Committee has held hearings on these proposals in the 1st session of the 84th Congress and all interested groups were afforded an opportunity to present their views. The Veterans' Affairs Committee met in executive session on August 10, 1961, and voted to table all pending insurance bills.

The memorandum also states that the "proposal to reopen the national service life insurance program is opposed by the administration." It is made clear in the memorandum that the administration opposition referred to was consistent under Presidents Truman and Eisenhower and was continued under President Kennedy, at least as recently as March 22, 1962, the date of the memorandum.

Against this background of continuous opposition of NSLI reopening legislation on the part of the Veterans' Affairs Committee and three administrations for more than a decade, we find the committee has now favorably reported, and the present administration apparently now supports the pending bill, H.R. 12333. Since this bill is basically the same as the many NSLI bills that the committee and the administration have heretofore opposed, I for one am frankly mystified by what appears to be a sudden about-face on their part.

Mr. Speaker, I would like at this time to ask the chairman of the committee, the gentleman from Texas [Mr. TEAGUE], a few questions about this bill, if I may, in the hope that he can shed some much needed light on this important and controversial issue.

First, am I correct in my understanding that the principal, if not the only, reason why the administration consistently opposed and the Committee on Veterans' Affairs consistently rejected NSLI reopening legislation on numerous occasions prior to this year was essentially that both the administration and the committee believed that, as a matter

of principle, it was neither an obligation nor a proper function of the Federal Government to make commercial-type life insurance available to veterans whose insurability has not been impaired by reason of service-connected disabilities?

Mr. TEAGUE of Texas. I think the gentleman is correct. I think the whole trend since the war has been to get the Government out of the insurance business.

Mr. SMITH of California. Recognizing that H.R. 12333 differs in numerous details from the NSLI reopening bills that your committee and the administration rejected in the past, in your personal opinion does the present bill differ in basic principle from previous bills insofar as it would apply to non-service-disabled veterans?

Mr. TEAGUE of Texas. I think every bill until this has included men now in service, which would pyramid survival benefits. This bill pertains only to permanent programs, 20- or 30-year programs. There is nothing in here about term insurance.

Mr. SMITH of California. There is nothing in here about term insurance? The gentleman agrees there should not be term insurance?

Mr. TEAGUE of Texas. I certainly do. I have been opposed to term insurance ever since I have been here.

Mr. SMITH of California. Then, am I correct in my understanding that if H.R. 12333 is enacted, the Federal Government will, for all practical purposes, become engaged in another business, that of selling commercial-type life insurance to able-bodied veterans?

Mr. TEAGUE of Texas. That is correct.

Mr. SMITH of California. Is it not true that the premium rates charged by private life insurance companies compare rather favorably with the rates that would be charged for the various types of NSLI provided for by H.R. 12333, despite the fact that the NSLI program would enjoy what amounts to a tax subsidy?

Mr. TEAGUE of Texas. This bill as reported, provides that the veteran would pay for all medical exams and administration costs. The insurance is nonparticipating. There is no dividend. Any surplus would go back into the Treasury of the United States.

Mr. SMITH of California. Would it not also be true in many cases that if a veteran bought one of the proposed new NSLI policies and was thereafter called back into service and died while on active duty, this insurance would not pay off, whereas his beneficiaries would still collect on any private life insurance that he owned?

Mr. TEAGUE of Texas. That is correct, but the gentleman knows when they are in service they are covered by the Survivors Benefits Act which provides monthly payments of \$112 plus 12 percent of the base pay of the person who served.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. SMITH of California was allowed to proceed for 5 additional minutes.)

87TH CONGRESS
2^D SESSION

H. R. 12900

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962

Read twice and referred to the Committee on Appropriations

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

- 1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money

1 in the Treasury not otherwise appropriated, for the fiscal
2 year ending June 30, 1963, for certain civil functions admin-
3 istrated by the Department of Defense, certain agencies of
4 the Department of the Interior, the Atomic Energy Com-
5 mission, the Saint Lawrence Seaway Development Corpora-
6 tion, the Tennessee Valley Authority and certain river basin
7 commissions, and for other purposes, namely:

8 TITLE I—DEPARTMENT OF DEFENSE—CIVIL

9 DEPARTMENT OF THE ARMY

10 CEMETERIAL EXPENSES

11 SALARIES AND EXPENSES

12 For necessary cemeterial expenses as authorized by law,
13 including maintenance, operation, and improvement of na-
14 tional cemeteries, and purchase of headstones and markers
15 for unmarked graves; purchase of one passenger motor ve-
16 hicle for replacement only; maintenance of that portion of
17 Congressional Cemetery to which the United States has title,
18 Confederate burial places under the jurisdiction of the De-
19 partment of the Army, and graves used by the Army in
20 commercial cemeteries; \$10,276,000: *Provided*, That this
21 appropriation shall not be used to repair more than
22 a single approach road to any national cemetery: *Pro-*
23 *vided further*, That this appropriation shall not be ob-
24 ligated for construction of a superintendent's lodge or family
25 quarters at a cost per unit in excess of \$17,000, but such

1 limitation may be increased by such additional amounts as
2 may be required to provide office space, public comfort
3 rooms, or space for the storage of Government property
4 within the same structure: *Provided further*, That reim-
5 bursement shall be made to the applicable military appro-
6 priation for the pay and allowances of any military person-
7 nel performing services primarily for the purposes of this
8 appropriation.

9 CORPS OF ENGINEERS—CIVIL

10 The following appropriations shall be expended under
11 the direction of the Secretary of the Army and the super-
12 vision of the Chief of Engineers for authorized civil func-
13 tions of the Department of the Army pertaining to rivers
14 and harbors, flood control, beach erosion, and related pur-
15 poses:

16 GENERAL INVESTIGATIONS

17 For expenses necessary for the collection and study of
18 basic information pertaining to river and harbor, flood con-
19 trol, shore protection, and related projects, and when author-
20 ized by law, surveys and studies (including cooperative
21 beach erosion studies as authorized in Public Law 520, ap-
22 proved July 3, 1930, as amended and supplemented), of
23 projects prior to authorization for construction, \$16,561,900,
24 to remain available until expended: *Provided*, That \$100,000
25 of this appropriation shall be transferred to the United States

1 Fish and Wildlife Service for studies, investigations, and
2 reports thereon as required by the Fish and Wildlife Coordi-
3 nation Act of 1958 (72 Stat. 563-565) to provide that
4 wildlife conservation shall receive equal consideration and
5 be coordinated with other features of water-resource develop-
6 ment programs of the Department of the Army.

7 CONSTRUCTION, GENERAL

8 For the prosecution of river and harbor, flood control,
9 shore protection, and related projects authorized by law;
10 and detailed studies, and plans and specifications, of projects
11 (including those for development with participation or under
12 consideration for participation by States, local governments,
13 or private groups) authorized or made eligible for selection
14 by law (but such studies shall not constitute a commitment
15 of the Government to construction) ; \$762,361,000, to re-
16 main available until expended: *Provided*, That no part of this
17 appropriation shall be used for projects not authorized by
18 law or which are authorized by law limiting the amount to
19 be appropriated therefor, except as may be within the limits
20 of the amount now or hereafter authorized to be appropri-
21 ated: *Provided further*, That none of the funds appropri-
22 ated for "Construction, General", in this Act shall be used
23 on the project "Missouri River, Kansas City to mouth",
24 for any purpose other than bank stabilization work: *Provided*
25 *further*, That \$600,000 of this appropriation shall be trans-

ferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; activities of the California Debris Commission; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; and rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; \$143,539,000, to remain available until expended.

1

GENERAL EXPENSES

2 For expenses necessary for general administration and
3 related functions in the Office of the Chief of Engineers and
4 offices of the Division Engineers; activities of the Board of
5 Engineers for Rivers and Harbors and the Beach Erosion
6 Board; commercial statistics; and miscellaneous investiga-
7 tions; \$13,580,000.

8

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

9 For expenses necessary for prosecuting work of flood
10 control, and rescue work, repair, restoration, or maintenance
11 of flood control projects threatened or destroyed by flood,
12 as authorized by law (33 U.S.C. 702a, 702g-1),
13 \$70,500,000, to remain available until expended.

14 UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT

15

BOARD OF ENGINEERS

16 For necessary expenses of the United States section of
17 the Saint Lawrence River Joint Board of Engineers, estab-
18 lished by Executive Order 10500, dated November 4, 1953,
19 including services as authorized by section 15 of the Act of
20 August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100
21 per day for individuals; \$20,000: *Provided*, That no part of
22 these funds shall be obligated until agreement has been
23 entered into, by the United States Government and the
24 United States entity authorized to construct the power works
25 in the International Rapids section of the Saint Lawrence

1 River, providing for the reimbursement of the expenditures
2 of the United States section of this Board by the construction
3 entity.

4 ADMINISTRATIVE PROVISIONS

5 Appropriations in this title shall be available for ex-
6 penses of attendance by military personnel of meetings in
7 the manner authorized by section 19 (b) of the Act of July
8 7, 1958 (72 Stat. 336), uniforms, or allowances therefor,
9 as authorized by the Act of September 1, 1954, as amended
10 (5 U.S.C. 2131), and for printing, either during a recess
11 or session of Congress, of survey reports authorized by law,
12 and such survey reports as may be printed during a recess
13 of Congress shall be printed, with illustrations, as documents
14 of the next succeeding session of Congress; and during the
15 current fiscal year the revolving fund, Corps of Engineers,
16 shall be available for purchase (not to exceed two hun-
17 dred and sixteen, of which one hundred and ninety shall
18 be for replacement only) and hire of passenger motor
19 vehicles.

20 THE PANAMA CANAL

21 CANAL ZONE GOVERNMENT

22 OPERATING EXPENSES

23 For operating expenses necessary for the Canal Zone
24 Government, including operation of the Postal Service of the
25 Canal Zone; hire of passenger motor vehicles; uniforms or

1 allowances therefor, as authorized by the Act of September
2 1, 1954, as amended (5 U.S.C. 2131) ; expenses incident to
3 conducting hearings on the Isthmus; expenses of special
4 training of employees of the Canal Zone Government as
5 authorized by law (2 C.Z. Code, Sec. 85 as added by 63
6 Stat. 602; 5 U.S.C. 2301 et seq.) ; contingencies of the
7 Governor; residence for the Governor; medical aid and sup-
8 port of the insane and of lepers and aid and support of in-
9 digent persons legally within the Canal Zone, including ex-
10 penses of their deportation when practicable; remodeling
11 Army buildings, in the Canal Zone, for temporary use as
12 school classrooms; and payments of not to exceed \$50 in
13 any one case to persons within the Government service who
14 shall furnish blood for transfusions; \$22,772,000.

15 CAPITAL OUTLAY

16 For acquisition of land and land under water and ac-
17 quisition, construction, and replacement of improvements,
18 facilities, structures, and equipment, as authorized by law
19 (2 C.Z. Code, Sec. 3; 2 C.Z. Code, Sec. 16, as added by 63
20 Stat. 600) , including the purchase of not to exceed seven pas-
21 senger motor vehicles for replacement only for police-type use
22 without regard to the general purchase price limitation for
23 the current fiscal year; and expenses incident to the retire-
24 ment of such assets; \$3,120,000, to remain available
25 until expended: *Provided*, That notwithstanding the

1 limitation under this head in the Second Supplemental
2 Appropriation Act, 1961, appropriations for "capital outlay"
3 may be used for expenses related to the construction of
4 quarters for non-U.S. citizen employees at a unit cost not
5 exceeding \$16,500.

6 PANAMA CANAL COMPANY

7 CORPORATION

8 The Panama Canal Company is hereby authorized to
9 make such expenditures within the limits of funds and
10 borrowing authority available to it and in accord with law,
11 and to make such contracts and commitments without regard
12 to fiscal year limitations as provided by section 104 of the
13 Government Corporation Control Act, as amended (31
14 U.S.C. 849), as may be necessary in carrying out the pro-
15 grams set forth in the budget for the current fiscal year for
16 such corporation, except as hereinafter provided:

17 LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES,

18 PANAMA CANAL COMPANY

19 Not to exceed \$8,113,000 of the funds available to
20 the Panama Canal Company shall be available during the
21 current fiscal year for general and administrative expenses
22 of the Company, which shall be computed on an accrual
23 basis. Funds available to the Panama Canal Company
24 for operating expenses shall be available for the purchase

1 of not to exceed sixteen passenger motor vehicles for re-
2 placement only, and for uniforms or allowances therefor,
3 as authorized by the Act of September 1, 1954, as amended
4 (5 U.S.C. 2131).

5 GENERAL PROVISION—THE PANAMA CANAL

6 The Governor of the Canal Zone is authorized to employ
7 services as authorized by section 15 of the Act of August
8 2, 1946 (5 U.S.C. 55a), in an amount not exceeding
9 \$30,000: *Provided*, That the rates for individuals shall not
10 exceed \$100 per diem.

11 TITLE II—DEPARTMENT OF THE INTERIOR

12 BUREAU OF RECLAMATION

13 For carrying out the functions of the Bureau of Reclama-
14 tion as provided in the Federal reclamation laws (Act of
15 June 17, 1902, 32 Stat. 388, and Acts amendatory thereof
16 or supplementary thereto) and other Acts applicable to
17 that Bureau, as follows:

18 GENERAL INVESTIGATIONS

19 For engineering and economic investigations of pro-
20 posed Federal reclamation and other projects for which the
21 Secretary may have power marketing responsibilities under
22 section 5 of the Flood Control Act of 1944 and studies of
23 water conservation and development plans and activities pre-
24 liminary to the reconstruction, rehabilitation and betterment,
25 financial adjustment, or extension of existing projects, in-

cluding not to exceed \$350,000 for investigations of projects in Alaska, to remain available until expended, \$7,100,000, of which \$5,610,000 shall be derived from the reclamation fund and \$500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That \$290,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, \$153,077,000, of which \$75,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power

1 wheeling service contracts which include provision for
2 service to Federal establishments and preferred cus-
3 tomers, except those transmission facilities for which con-
4 struction funds have been heretofore appropriated, those
5 facilities which are necessary to carry out the terms of such
6 contracts or those facilities for which the Secretary of the
7 Interior finds the wheeling agency is unable or unwilling to
8 provide for the integration of Federal projects or for service
9 to a Federal establishment or preferred customer.

10 OPERATION AND MAINTENANCE

11 For operation and maintenance of reclamation projects
12 or parts thereof and of other facilities, as authorized by law;
13 and for a soil and moisture conservation program on lands
14 under the jurisdiction of the Bureau of Reclamation, pur-
15 suant to law, \$38,150,000, of which \$31,319,000 shall be
16 derived from the reclamation fund and \$1,481,000 shall be
17 derived from the Colorado River Dam fund: *Provided*, That
18 funds advanced for operation and maintenance of reclamation
19 projects or parts thereof shall be deposited to the credit of
20 this appropriation and may be expended for the same objects
21 and in the same manner as sums appropriated herein may be
22 expended, and the unexpended balances of such advances
23 shall be credited to the appropriation for the next succeeding
24 fiscal year.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-421d), and August 6, 1956 (43 U.S.C. 422a-422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, \$10,173,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).

EMERGENCY FUND

For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), to remain available until expended for the purposes specified in said Act, \$1,000,000, to be derived from the reclamation fund.

UPPER COLORADO RIVER STORAGE PROJECT

For the Upper Colorado River Storage Project, as authorized by the Act of April 11, 1956 (43 U.S.C. 620d), to

1 remain available until expended, \$106,508,000, of which
2 \$103,276,000 shall be available for the "Upper Colorado
3 River Basin Fund" authorized by section 5 of said Act of
4 April 11, 1956, and \$3,232,000 shall be available for con-
5 struction of recreational and fish and wildlife facilities author-
6 ized by section 8 thereof, and may be expended by bureaus
7 of the Department through or in cooperation with State or
8 other Federal agencies, and advances to such Federal agen-
9 cies are hereby authorized: *Provided*, That no part of the
10 funds herein appropriated shall be available for construction
11 or operation of facilities to prevent waters of Lake Powell
12 from entering any National Monument.

13 GENERAL ADMINISTRATIVE EXPENSES

14 For necessary expenses of general administration and
15 related functions in the offices of the Commissioner of Recla-
16 mation and in the regional offices of the Bureau of Rec-
17 lamation, \$9,300,000, to be derived from the reclama-
18 tion fund and to be nonreimbursable pursuant to the
19 Act of April 19, 1945 (43 U.S.C. 377) : *Provided*, That no
20 part of any other appropriation in this Act shall be available
21 for activities or functions budgeted for the current fiscal year
22 as general administrative expenses.

23 SPECIAL FUNDS

24 Sums herein referred to as being derived from the recla-
25 mation fund, the Colorado River Dam fund, or the Colorado

1 River development fund, are appropriated from the special
2 funds in the Treasury created by the Act of June 17, 1902
3 (43 U.S.C. 391), the Act of December 21, 1928 (43
4 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C.
5 618a), respectively. Such sums shall be transferred, upon
6 request of the Secretary, to be merged with and expended
7 under the heads herein specified; and the unexpended
8 balances of sums transferred for expenditure under the
9 heads "Operation and Maintenance" and "General Adminis-
10 trative Expenses" shall revert and be credited to the special
11 fund from which derived.

12 ADMINISTRATIVE PROVISIONS

13 Appropriations to the Bureau of Reclamation shall be
14 available for purchase of not to exceed seventy-two
15 passenger motor vehicles for replacement only; pur-
16 chase of two aircraft for replacement only; payment of
17 claims for damage to or loss of property, personal injury,
18 or death arising out of activities of the Bureau of Reclama-
19 tion; payment, except as otherwise provided for, of com-
20 pensation and expense of persons on the rolls of the Bureau
21 of Reclamation appointed as authorized by law to represent
22 the United States in the negotiation and administration of
23 interstate compacts without reimbursement or return under
24 the reclamation laws; rewards for information or evidence

1 concerning violations of law involving property under the
2 jurisdiction of the Bureau of Reclamation; performance of
3 the functions specified under the head "Operation and
4 Maintenance Administration", Bureau of Reclamation, in
5 the Interior Department Appropriation Act, 1945; prepara-
6 tion and dissemination of useful information including re-
7 cordings, photographs, and photographic prints; and studies
8 of recreational uses of reservoir areas, and investigation and
9 recovery of archeological and paleontological remains in
10 such areas in the same manner as provided for in the Act of
11 August 21, 1935 (16 U.S.C. 461-467): *Provided*, That
12 no part of any appropriation made herein shall be available
13 pursuant to the Act of April 19, 1945 (43 U.S.C. 377),
14 for expenses other than those incurred on behalf of specific
15 reclamation projects except "General Administrative Ex-
16 penses" and amounts provided for reconnaissance, basin
17 surveys, and general engineering and research under the
18 head "General Investigations".

19 Allotments to the Missouri River Basin project from the
20 appropriation under the head "Construction and Rehabilita-
21 tion" shall be available additionally for said project for those
22 functions of the Bureau of Reclamation provided for under
23 the head "General Investigations" (but this authorization
24 shall not preclude use of the appropriation under said head
25 within that area), and for the continuation of investigations

1 by agencies of the Department on a general plan for the
2 development of the Missouri River Basin. Such allotments
3 may be expended through or in cooperation with State and
4 other Federal agencies, and advances to such agencies are
5 hereby authorized.

6 Sums appropriated herein which are expended in the
7 performance of reimbursable functions of the Bureau of
8 Reclamation shall be returnable to the extent and in the man-
9 ner provided by law.

10 No part of any appropriation for the Bureau of Reclama-
11 tion, contained in this Act or in any prior Act, which repre-
12 sents amounts earned under the terms of a contract but re-
13 maining unpaid, shall be obligated for any other purpose,
14 regardless of when such amounts are to be paid: *Provided*,
15 That the incurring of any obligation prohibited by this para-
16 graph shall be deemed a violation of section 3679 of the
17 Revised Statutes, as amended (31 U.S.C. 665).

18 No funds appropriated to the Bureau of Reclamation for
19 operation and maintenance, except those derived from ad-
20 vances by water users, shall be used for the particular benefit
21 of lands (a) within the boundaries of an irrigation district,
22 (b) of any member of a water users' organization, or (c)
23 of any individual, when such district, organization, or in-
24 dividual is in arrears for more than twelve months in the pay-

1 ment of charges due under a contract entered into with the
2 United States pursuant to laws administered by the Bureau
3 of Reclamation.

4 Not to exceed \$225,000 may be expended from the ap-
5 propriation "Construction and rehabilitation" for work by
6 force account on any one project or Missouri Basin unit and
7 then only when such work is unsuitable for contract or no
8 acceptable bid has been received and, other than otherwise
9 provided in this paragraph or as may be necessary to meet
10 local emergencies, not to exceed 12 per centum of the con-
11 struction allotment for any project from the appropriation
12 "Construction and rehabilitation" contained in this Act shall
13 be available for construction work by force account: *Pro-*
14 *vided*, That this paragraph shall not apply to work performed
15 under the Rehabilitation and Betterment Act of 1949 (63
16 Stat. 724).

17 BONNEVILLE POWER ADMINISTRATION

18 CONSTRUCTION

19 For construction and acquisition of transmission lines,
20 substations, and appurtenant facilities, as authorized by law,
21 and purchase of one aircraft, \$29,800,000, to remain avail-
22 able until expended.

1 OPERATION AND MAINTENANCE

2 For necessary expenses of operation and maintenance of
3 the Bonneville transmission system and of marketing electric
4 power and energy, \$12,713,000.

5 ADMINISTRATIVE PROVISIONS

6 Appropriations of the Bonneville Power Administra-
7 tion shall be available to carry out all the duties imposed
8 upon the Administrator pursuant to law. Appropriations
9 made herein to the Bonneville Power Administration shall be
10 available in one fund, except that the appropriation herein
11 made for operation and maintenance shall be available only
12 for the service of the current fiscal year.

13 Other than as may be necessary to meet local emer-
14 gencies, not to exceed 12 per centum of the appropriation for
15 construction herein made for the Bonneville Power Adminis-
16 tration shall be available for construction work by force
17 account or on a hired-labor basis.

18 SOUTHEASTERN POWER ADMINISTRATION

19 OPERATION AND MAINTENANCE

20 For necessary expenses of operation and maintenance of
21 power transmission facilities and of marketing electric power
22 and energy pursuant to the provisions of section 5 of the

1 Flood Control Act of 1944 (16 U.S.C. 825s) , as applied to
2 the southeastern power area, \$800,000 including purchase of
3 two passenger motor vehicles of which one is for replace-
4 ment only.

5 SOUTHWESTERN POWER ADMINISTRATION

6 CONSTRUCTION

7 For construction and acquisition of transmission lines,
8 substations, and appurtenant facilities, and for administrative
9 expenses connected therewith, in carrying out the provisions
10 of section 5 of the Flood Control Act of 1944 (16 U.S.C.
11 825s) , as applied to the southwestern power area, \$7,210,-
12 000, to remain available until expended.

13 OPERATION AND MAINTENANCE

14 For necessary expenses of operation and maintenance
15 of power transmission facilities of marketing electric power
16 and energy pursuant to the provisions of section 5 of the
17 Flood Control Act of 1944 (16 U.S.C. 825s) , as applied to
18 the southwestern power area, including purchase of not to
19 exceed four passenger motor vehicles for replacement only,
20 \$1,450,000.

21 CONTINUING FUND

22 Not to exceed \$5,000,000 shall be available during the
23 current fiscal year from the continuing fund for all costs in
24 connection with the purchase of electric power and energy,
25 and rentals for the use of transmission facilities.

1 GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

2 SEC. 201. Appropriations in this title shall be available
3 for expenditure or transfer (within each bureau or office);
4 with the approval of the Secretary, for the emergency recon-
5 struction, replacement or repair of aircraft, buildings, utili-
6 ties, or other facilities or equipment damaged or destroyed
7 by fire, flood, storm, or other unavoidable causes: *Provided*,
8 That no funds shall be made available under this authority
9 until funds specifically made available to the Department of
10 the Interior for emergencies shall have been exhausted.

11 SEC. 202. The Secretary may authorize the expenditure
12 or transfer (within each bureau or office) of any appropria-
13 tion in this title, in addition to the amounts included in the
14 budget programs of the several agencies, for the suppression
15 or emergency prevention of forest or range fires on or threat-
16 ening lands under jurisdiction of the Department of the In-
17 terior.

18 SEC. 203. Appropriations in this title shall be available
19 for operation of warehouses, garages, shops, and similar facil-
20 ities, wherever consolidation of activities will contribute
21 to efficiency or economy, and said appropriations shall be
22 reimbursed for services rendered to any other activity in the
23 same manner as authorized by the Act of June 30, 1932
24 (31 U.S.C. 686) : *Provided*, That reimbursements for cost
25 of supplies, materials and equipment, and for services ren-

1 dered may be credited to the appropriation current at the
2 time such reimbursements are received.

3 SEC. 204. No part of any funds made available by this
4 Act to the Southwestern Power Administration may be made
5 available to any other agency, bureau, or office for any pur-
6 poses other than for services rendered pursuant to law to
7 the Southwestern Power Administration.

8 TITLE III—INDEPENDENT OFFICES

9 ATOMIC ENERGY COMMISSION

10 OPERATING EXPENSES

11 For necessary operating expenses of the Commission in
12 carrying out the purposes of the Atomic Energy Act of 1954,
13 as amended, including the employment of aliens; services
14 authorized by section 15 of the Act of August 2, 1946 (5
15 U.S.C. 55a); purchase of equipment; purchase, mainte-
16 nance, and operation of aircraft; publication and dissemination
17 of atomic information; purchase, repair, and cleaning of
18 uniforms; official entertainment expenses (not to exceed
19 \$30,000); reimbursement of the General Services Admin-
20 istration for security guard services; purchase (not to exceed
21 seven hundred and forty, of which four hundred and ten
22 are for replacement only) and hire of passenger motor
23 vehicles; \$2,860,974,000, and any moneys (except sums
24 received from disposal of property under the Atomic
25 Energy Community Act of 1955 (42 U.S.C. 2301))
26 received by the Commission, notwithstanding the pro-

visions of section 3617 of the Revised Statutes (31 U.S.C. 484), to remain available until expended: *Provided*, That of such amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum.

PLANT ACQUISITION AND CONSTRUCTION

For expenses of the Commission, as authorized by law, in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying

1 out the purposes of the Atomic Energy Act of 1954, as
2 amended, including the acquisition or condemnation of any
3 real property or any facility or for plant or facility acquisi-
4 tion, construction, or expansion; and hire of passenger motor
5 vehicles; \$261,845,000, to remain available until expended:
6 *Provided*, That not to exceed \$4,500,000 of this appropria-
7 tion for carrying out improvements on U.S. Highway 95,
8 Nevada, as authorized in the Commission's 1963 authoriza-
9 tion Act, may be transferred to the Bureau of Public Roads,
10 Department of Commerce.

11 GENERAL PROVISIONS

12 Any appropriation available under this or any other Act
13 to the Atomic Energy Commission may initially be used
14 subject to limitations in this Act during the fiscal year
15 1963 to finance the procurement of materials, services,
16 or other costs which are a part of work or activities for
17 which funds have been provided in any other appropria-
18 tion available to the Commission: *Provided*, That appropri-
19 ate transfers or adjustments between such appropriations
20 shall subsequently be made for such costs on the basis of
21 actual application determined in accordance with generally
22 accepted accounting principles.

23 Not to exceed 5 per centum of appropriations made
24 available for the fiscal year 1963 for "Operating expenses"
25 and "Plant acquisition and construction" may be trans-

1 ferred between such appropriations, but neither such ap-
2 propriation, except as otherwise provided herein, shall be
3 increased by more than 5 per centum by any such transfers,
4 and any such transfers shall be reported promptly to the
5 Appropriations Committees of the House and Senate.

6 No part of any appropriation herein shall be used to
7 confer a fellowship on any person who advocates or who is
8 a member of an organization or party that advocates the
9 overthrow of the Government of the United States by force
10 or violence or with respect to whom the Commission finds,
11 upon investigation and report by the Civil Service Commis-
12 sion on the character, associations, and loyalty of whom, that
13 reasonable grounds exist for belief that such person is disloyal
14 to the Government of the United States: *Provided*, That any
15 person who advocates or who is a member of an organization
16 or party that advocates the overthrow of the Government of
17 the United States by force or violence and accepts employ-
18 ment or a fellowship the salary, wages, stipend, grant, or
19 expenses for which are paid from any appropriation con-
20 tained herein shall be guilty of a felony and, upon conviction,
21 shall be fined not more than \$1,000 or imprisoned for not
22 more than one year, or both: *Provided further*, That the
23 above penal clause shall be in addition to, and not in substitu-
24 tion for, any other provisions of existing law.

1 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

2 The Saint Lawrence Seaway Development Corporation
3 is hereby authorized to make such expenditures, within the
4 limits of funds and borrowing authority available to such
5 Corporation, and in accord with law, and to make such con-
6 tracts and commitments without regard to fiscal year limita-
7 tions as provided by section 104 of the Government Cor-
8 poration Control Act, as amended, as may be necessary in
9 carrying out the programs set forth in the budget for the
10 current fiscal year for such Corporation, except as herein-
11 after provided:

12 LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAW-
13 RENCE SEAWAY DEVELOPMENT CORPORATION

14 Not to exceed \$425,000 shall be available for adminis-
15 trative expenses which shall be computed on an accrual basis,
16 including not to exceed \$2,000 for official entertainment ex-
17 penses to be expended upon the approval or authority of the
18 Administrator, purchase of one passenger motor vehicle for
19 replacement only, uniforms or allowances therefor for opera-
20 tion and maintenance personnel, as authorized by law (5
21 U.S.C. 2131, and services as authorized by section 15 of
22 the Act of August 2, 1946 (5 U.S.C. 55a), at rates for in-
23 dividuals not to exceed \$100 per day: *Provided*, That not to
24 exceed \$5,000 may be expended for services of individuals
25 employed at rates in excess of \$50 per day.

TENNESSEE VALLEY AUTHORITY

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed one hundred and fifty for replacement only) and hire of passenger motor vehicles, \$35,071,000, to remain available until expended.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), \$32,000.

CONTRIBUTION TO THE DELAWARE RIVER BASIN

COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), \$80,000.

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Act approved August 28, 1958 (72 Stat. 1090), including services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), \$552,000 to remain available until December 31, 1962.

U.S. STUDY COMMISSION—TEXAS

SALARIES AND EXPENSES

The appropriation granted under this head in the Public Works Appropriation Act, 1962, shall remain available until August 31, 1962.

TITLE IV—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 401. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$1,500 except station wagons for which the maximum shall be \$1,950.

SEC. 402. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the

1 United States prior to such date, (3) is a person who owes
2 allegiance to the United States, or (4) is an alien from
3 Poland or the Baltic countries lawfully admitted to the
4 United States for permanent residence: *Provided*, That for
5 the purpose of this section, an affidavit signed by any such
6 person shall be considered prima facie evidence that the
7 requirements of this section with respect to his status have
8 been complied with: *Provided further*, That any person
9 making a false affidavit shall be guilty of a felony and, upon
10 conviction, shall be fined not more than \$4,000 or imprisoned
11 for not more than one year, or both: *Provided further*, That
12 the above penal clause shall be in addition to, and not in
13 substitution for, any other provisions of existing law: *Pro-*
14 *vided further*, That any payment made to any officer or
15 employee contrary to the provisions of this section shall be
16 recoverable in action by the Federal Government. This
17 section shall not apply to citizens of the Republic of the
18 Philippines or to nationals of those countries allied with the
19 United States in the current defense effort, or to temporary
20 employment of translators, or to temporary employment in
21 the field service (not to exceed sixty days) as a result of
22 emergencies.

23 SEC. 403. Appropriations of the executive departments
24 and independent establishments for the current fiscal year,
25 available for expenses of travel or for the expenses of the

1 activity concerned, are hereby made available for quarters
2 allowances and cost-of-living allowances, in accordance with
3 title II of the Act of September 6, 1960 (74 Stat. 793).

4 SEC. 404. No part of any appropriation for the current
5 fiscal year contained in this or any other Act shall be paid
6 to any person for the filling of any position for which he or
7 she has been nominated after the Senate has voted not to
8 approve the nomination of said person.

9 SEC. 405. No part of any appropriation contained in
10 this or any other Act for the current fiscal year shall be used
11 to pay in excess of \$4 per volume for the current and future
12 volumes of the United States Code Annotated, and such
13 volumes shall be purchased on condition and with the under-
14 standing that latest published cumulative annual pocket parts
15 issued prior to the date of purchase shall be furnished free of
16 charge, or in excess of \$4.25 per volume for the current
17 or future volumes of the Lifetime Federal Digest, or in ex-
18 cess of \$6.50 per volume for the current or future volumes
19 of the Modern Federal Practice Digest.

20 SEC. 406. Funds made available by this or any other
21 Act for administrative expenses in the current fiscal year
22 of the corporations and agencies subject to the Government
23 Corporation Control Act, as amended (31 U.S.C. 841),
24 shall be available, in addition to objects for which such funds
25 are otherwise available, for rent in the District of Columbia;

1 services in accordance with section 15 of the Act of August 2,
2 1946 (5 U.S.C. 55a) ; and the objects specified under this
3 head, all the provisions of which shall be applicable to the
4 expenditure of such funds unless otherwise specified in the
5 Act by which they are made available: *Provided*, That in
6 the event any functions budgeted as administrative expenses
7 are subsequently transferred to or paid from other funds,
8 the limitations on administrative expenses shall be corre-
9 spondingly reduced.

10 SEC. 407. Pursuant to section 1415 of the Act of July
11 15, 1952 (66 Stat. 662), foreign credits (including cur-
12 rencies) owed to or owned by the United States may be used
13 by Federal agencies for any purpose for which appropria-
14 tions are made for the current fiscal year (including the
15 carrying out of Acts requiring or authorizing the use of such
16 credits), only when reimbursement therefor is made to the
17 Treasury from applicable appropriations of the agency con-
18 cerned: *Provided*, That such credits received as exchange
19 allowances or proceeds of sales of personal property may be
20 used in whole or part payment for acquisition of similar items,

1 to the extent and in the manner authorized by law, without
2 reimbursement to the Treasury.

3 This Act may be cited as the "Public Works Appro-
4 priation Act, 1963".

Passed the House of Representatives August 16, 1962.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

August 17 (legislative day, August 14), 1962

Read twice and referred to the Committee on
Appropriations

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued sept. 6, 1962
For actions of Sept. 5, 1962
87th-2d, No. 159

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HIGHLIGHTS: Senate committee voted to report bills for revised apportionment of school lunch and extension work funds, expanded forestry research, land development program in Alaska, and cooperation with States in administration of agricultural laws. Senate committee reported roads bill. Sen. Neuberger urged removal of Jones Act restrictions on lumber shipments to Puerto Rico. Sen. Humphrey urged discontinuance of administrative budget.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE. The Agriculture and Forestry Committee voted to report (but did not actually report) without amendment S. 2805, to provide for a program of agricultural land development in Alaska; S. 3589, authorizing acquisition of certain lands in Wright County, Minn., for exchange for State-owned lands in Superior National Forest; S. 3475, to provide further cooperation with the States in the administration and enforcement of certain Federal laws; H. R. 9728, authorizing an increase from \$2.5 million to \$5 million in the annual appropriation under the Cooperative Forest Management Act; H. R. 12589, to revise the formula for the distribution of Federal funds for agricultural extension work; with amendment H. R. 12688, authorizing cooperation with and encouragement of the States in carrying out programs of forestry research; and H. R. 11665, to revise the formula for the apportionment among the States of funds under the National School Lunch Act. p. D808
2. INTERIOR AND INSULAR AFFAIRS COMMITTEE. The Interior and Insular Affairs Committee voted to report (but did not actually report) S. 3335, changing the name of Big Hole Battlefield National Monument to Big Hole National Battle-

field, and acquiring additional land therefor (amended); S. 3530, authorizing acquisition of land along the Delaware River for the creation of Tocks Island National Recreation Area (amended); S. 3160, to amend the act concerning homestead entry on land containing coal, oil, and gas so as to extend its provisions to the townsite laws applicable in Alaska (amended); S. J. Res. 136, to determine the susceptibility of minerals to electrometallurgical processes (amended); H. R. 9280, to give the Secretary of the Interior discretionary authority to sell certain mineral and vegetative materials on public lands by negotiation rather than by competitive bid when in the best interest of the Government; H. R. 10540, to make deposits of petrified wood disposable under the Materials Act; and H. R. 11164, to approve an amendatory repayment contract negotiated with the Quincy Columbia Basis Irrigation District. p. D809

3. ROADS. The Public Works Committee reported with amendments H. R. 12135, the proposed Federal-Aid Highway Act of 1962, which includes authorizations for forest highways and forest development roads and trails (S. Rept. 1997). p. 17425

4. FORESTRY. Sen. Neuberger stated that no domestic lumber is now being shipped to Puerto Rico because of certain restrictions of the Jones Act and that she intended to propose an amendment to the foreign trade bill to permit the Secretary of Commerce to waive Jones Act requirements with respect to such lumber shipments to Puerto Rico. p. 17427

5. BUDGET. Sen. Humphrey urged that the present administrative budget be replaced by two budgets, "the current budget covered by current revenues, and the capital budget financed largely by borrowings backed up by capital assets and by earnings from these projects," and stated that "until we scrap the obsolete accounting procedures of the Federal administrative budget, we will be unable to create the dynamism which one has a right to expect from the leader of the free world." pp. 17557-8

6. TAXATION. Continued debate on H. R. 10650, the proposed Revenue Act of 1962 (pp. 17425-7, 17440-556). Agreed to a unanimous-consent agreement that, effective Thurs., Sept. 6, further debate on the bill will be limited to four hours (p. 17516). Sen. McCarthy inserted a statement to clarify the tax status of farmers' cooperatives after Sen. Kerr assured him that "I have a positive conviction that nothing in the bill would lose to a cooperative any tax-exempt status it now has under existing law" (p. 17551).

7. RECLAMATION. The Interior and Insular Affairs Committee reported without amendment H. R. 575, to authorize construction of the upper division of the Baker reclamation project, Ore. (S. Rept. 1996). p. 17425

8. APPROPRIATIONS. The "Daily Digest" states that a subcommittee of the Appropriations Committee "marked up and agreed to report to the Subcommittee on Public Works proposed funds for the Atomic Energy Commission and the Tennessee Valley Authority embodied in H. R. 12900, fiscal 1963 appropriations for public works p. D808

9. FOREIGN TRADE. Sen. Neuberger submitted an amendment intended to be proposed to H. R. 11970, the foreign trade bill. p. 17425

10. FORESTRY; NATURAL RESOURCES. Sen. Morse inserted his speech at the Western States Democratic Conference at Seattle, Wash., on Aug. 5, in which he discusses legislation relating to forestry, natural resource development, and other subjects. pp. 17569-70

shall receive basic compensation at the lowest rate of the higher grade which exceeds his existing rate by not less than two step increases of the grade from which promoted. Authorizes the Civil Service Commission to issue regulations to permit the retention of salary of an employee who, together with his position, is brought under the Classification Act from some other Federal pay system, if his salary rate is in excess of the maximum rate of the classification grade in which his position is placed. Extends the provision for retention of salary when an employee is demoted to a lower grade to all grades of the Classification Act and permits salary retention in some cases not now permitted. Increases from 1,989 to 2,400 the limitation on the number of positions which may be placed in grades 16, 17 and 18 of the general schedule, and excludes from this limitation engineering research and development positions and positions in the physical sciences, natural sciences, and medicine. Increases the salary limitations for certain scientific, professional, and other positions to accord with the salary ranges of the general schedule of the Classification Act. Establishes a maximum rate, equivalent to the pay of grade GS-18 for five positions of technical experts in the Department of Agriculture engaged in research in foot-and-mouth and other animal diseases. Extends to Agricultural Stabilization and Conservation County Committee employees the salary increases provided by the bill for corresponding Classification Act salary levels. Directs the departments and agencies to provide for absorption of the costs of salary increases from available funds of the departments, but does not require any employee to be separated from the service or placed in a leave-without-pay status because of this absorption. Provides a 5-percent increase, effective January 1, 1963, in all annuities then payable from the civil service retirement fund which commenced on or before that date, and provides for future adjustments in the event the calendar year average of the monthly Consumer Price Index of the Bureau of Labor Statistics increases not less than 3 percent.

12. PUBLIC WORKS APPROPRIATION BILL, 1963. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 12900. p. D894
13. TOBACCO. Sen. Holland commended the cigar industry of Tampa, Fla., for its adjustment after the embargo was placed on the Cuban tobacco used by the manufacturers. p. 19627
14. FOREIGN TRADE. Sen. Humphrey expressed strong approval of the proposed Trade Expansion Act of 1962 and said, "I predict that the 87th Congress will be primarily identified by future historians as the Congress which enacted the Trade Expansion Act. It was a great victory." pp. 19631-7
15. RAIL STRIKE. Sen. Hruska criticized the Administration's actions regarding the Chicago & North Western Railway strike and said, "much more action should be forthcoming from the Chief Executive. Our farmers are entitled to it." pp. 19697-9
16. MINERALS. The Interior and Insular Affairs Committee reported with amendment H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act (S. Rept. 2165). p. 19699
17. FOREIGN AFFAIRS. Sen. Prouty criticized U. S. foreign policy saying it "is the product of fear and gulls." pp. 19674-6
18. FOREIGN AID. Sen. Moss inserted an editorial criticizing the House cuts in the foreign aid appropriation bill. p. 19623

19. AIR POLLUTION. Concurred in the House amendments to S. 455, to amend the act of July 14, 1955, relating to air pollution control, to authorize appropriations for an additional 2-year period. This bill will now be sent to the President. pp. 19645-6

ITEMS IN APPENDIX

20. ASC FARMER COMMITTEES. Extension of remarks of Rep. Gathings and Rep. Abbitt defending the record of the ASC farmer committees. pp. A7108, A7139
21. PUBLIC WORKS. Extension of remarks of Rep. Curtis inserting a New York Times editorial criticizing Congressional action on the Public Works Acceleration Act. p. A7111
22. CIVIL SERVICE. Extension of remarks of Rep. St. George inserting articles supporting reforms to equalize the pay scales of government and private industry. pp. A7111-12
23. FOREIGN AID. Speech of Rep. Alger in the House opposing the foreign aid appropriation bill as "self-defeating and suicidal." p. A7112
Extension of remarks of Rep. Derwinski inserting an article stating that "the fundamental cause of our balance of payments deficit is the payment of billions in foreign aid." p. A7123
24. EXTENSION WORK. Extension of remarks of Rep. Smith inserting a speech by Rep. Fountain before the National Association of State Departments of Agriculture calling for closer Federal-State cooperation. pp. A7128-9

BILLS INTRODUCED

25. FISCAL REQUIREMENTS. H. R. 13232, by Rep. Dooley, to amend the Legislative Reorganization Act of 1946 to provide for more effective evaluation of the fiscal requirements of the executive agencies of the Government of the United States; to Rules Committee.
26. TRADEMARKS. H. R. 13234, by Rep. Mahon, to amend subsection (e) of section 44 of the Trademark Act; to Judiciary Committee.
27. FORESTRY. H. R. 13237, by Rep. Teague of Texas, for the relief of certain persons having summer homes in the Rio Grande Canyon summer home group, in the Rio Grande National Forest; to Agriculture Committee.
28. PRICE SUPPORTS. H. R. 13240, by Rep. Udall, to terminate price supports and acreage and marketing restrictions on basic agricultural commodities and feed grains, and to provide for acreage payments during a transitional period; to Agriculture Committee.
29. WHEAT ACREAGE. H. R. 13241, by Rep. Cooley, to amend section 309 of the Food and Agriculture Act of 1962; to Agriculture Committee.
30. CONTRACTS. H. R. 13242, by Rep. O'Hara, Mich., to provide wage standards for persons engaged by Federal contractors or subcontractors to furnish services or maintenance work to Federal agencies; to Education and Labor Committee.

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
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Issued Oct. 1, 1962

For actions of Sept. 28 and 29, 1962
87th-2d, Nos. 176
and 177

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HIGHLIGHTS: Sept. 28: Both Houses passed appropriations continuation resolution. Rep. Jones, Mo., criticized absence of Republican member from House Agriculture meeting. Rep. Gross objected to sending pay bill to conference. Rep. King, Utah, commended ASC committees. Rep. Springer criticized farm bill. Senate committee reported: Foreign aid appropriation bill. Public works appropriation bill. Senate passed bills: For program of agricultural land development in Alaska. To assist States in forest research. Sen. Humphrey defended wilderness bill as passed by Senate. Senate subcommittee approved State-Justice-Commerce appropriation bill.

Sept. 29: Senate debated public works appropriation bill.

HOUSE - Sept. 28

1. **APPROPRIATIONS.** Both Houses passed without amendment H. J. Res. 897, making continuing appropriations for the fiscal year 1963 to those departments and agencies whose annual appropriation bills have not yet been enacted.. This measure will now be sent to the President. pp. 19991-2, 19997
Rep. Cannon inserted a table of appropriation bills, 87th Congress, 2nd session, as of Sept. 28, 1962. pp. 19988-9

2. **PAY BILL.** Rep. Gross objected to a request to send H. R. 7927, the postal increase and pay increase bill, to conference. p. 19985

3. ASC COMMITTEES. Rep. King, Utah, commended the ASC committeemen saying, "I would like to pay tribute to these men who have so unselfishly devoted of their time to develop and guide these farm programs in the interest of farm and nonfarm people alike." p. 19990
4. FARM PROGRAM. Rep. Springer criticized the farm bill saying, "The Kennedy-Free-man-Cochrane farm bill was the worst blow to the Midwest corn farmer since World War II." p. 19990
Rep. Jones, Mo., criticized Republican members of the Agriculture Committee for failure to provide a quorum for the transaction of committee business on Fri., Sept. 28. pp. 19993-4
5. SCHOOL LUNCH. The Judiciary Committee reported without amendment S. J. Res. 211, providing for the establishment of an annual National School Lunch Week (H.Rept. 2496). p. 19995
6. RAILWAY STRIKE. Rep. Nelsen criticized the Chicago & North Western strike and said "the lack of transportation is working a hardship on the agricultural economy of the entire area." pp. 19994-5
7. LEGISLATIVE PROGRAM. Rep. Albert announced that the Consent Calendar will be called on Mon., Oct. 1, followed by the following suspensions: resolution to send H. R. 7927, the postal increase and pay increase bill, to conference; H. R. 5698, to extend the apportionment requirement in the Civil Service Act to temporary summer employment; S. 3389, to promote commerce through trade fairs; H. R. 12968, to amend section 901(b) of the Merchant Marine Act to eliminate time limitations; and H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 re 15-acre wheat exemption. On Tues. the Private Calendar; the conference report on H. R. 10650, the proposed Revenue Act of 1962; the Third Supplemental Appropriation Bill for 1963; and S. 1123, to amend the Fair Labor Standards Act of 1938 with respect to the exemption of agricultural employees from the child labor provisions of such Act, will be considered. pp. 19992-3
8. ADJOURNED until Mon., Oct. 1. p. 19995

SENATE - Sept. 28

9. FOREIGN AID APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 13175 (S. Rept. 2177). p. 19996
10. PUBLIC WORKS APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12900 (S. Rept. 2178). p. 19997
11. FARM PROGRAM. Passed with an amendment S. 2805, to authorize the Secretary of Agriculture to formulate and carry out a land development program under which payments or grants may be made to agricultural producers in Alaska for carrying out specified farmland development measures, including clearing, draining, shaping, and otherwise conditioning land for the production of crops or for pasture. Authorizes the appropriation of a maximum of \$1,250,000 for the entire program, excluding administrative costs, but not to exceed \$125,000 in any one program year. (pp. 20013, 20017-8) Agreed to an amendment by Sen. Bartlett to provide that a grant to any single producer shall not exceed one-fifth of the total funds appropriated for the program for the year in which the grant is made. (p. 20017)
12. FORESTRY. Reconsidered the vote by which H. R. 12688, to authorize the Secretary of Agriculture to encourage and assist the States in carrying on a program of

Calendar No. 2141

87TH CONGRESS }
2d Session }

SENATE }

REPORT
No. 2178

PUBLIC WORKS APPROPRIATION BILL, 1963

SEPTEMBER 28, 1962.—Ordered to be printed

Mr. ELLENDER, from the Committee on Appropriations, submitted the following

REPORT

[To accompany H.R. 12900]

The Committee on Appropriations, to whom was referred the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, report the same to the Senate, with various amendments and present herewith information relative to the changes made:

Amount of bill as passed House.....	\$4, 613, 807, 900
Amount of increase by Senate (net).....	597, 463, 500
Amount of bill as reported to Senate.....	5, 211, 271, 400
Amount of estimates for 1963 (including \$906,419,000 in estimates not considered by the House).....	5, 651, 751, 000
Amount of appropriations, 1962.....	3, 940, 955, 980
The bill as reported to the Senate—	
Under the estimates for 1963.....	440, 479, 600
Over the appropriation for 1962.....	1, 270, 315, 420

TITLE I—CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY

CEMETERIAL EXPENSES

Appropriation, 1962.....	\$10, 440, 000
Budget estimate, 1963.....	10, 276, 000
House allowance.....	10, 276, 000
Committee recommendation.....	10, 276, 000

The committee notes that the item which has the greatest fluctuation in this appropriation title is that for lands and structures. In fiscal year 1962 the appropriation was \$1 million in excess of that for 1961, of which about two-thirds was accounted for by an increase in this line item. This year the committee notes that the funds requested for this item are \$366,000 below the amount requested for fiscal year 1962. It is anticipated that there will be greater stabilization in this appropriation item in future years, since the administration has announced a policy in opposition to the expansion of the national cemetery system, except with respect to the Arlington National Cemetery, which will be treated as a special case.

The committee understands that no further expansion of the national cemetery system is contemplated; however, it is understood that the Department proposes to develop all presently available land in existing cemeteries, as needed, to continue making interments.

With respect to the Arlington National Cemetery, the Department proposes that after all lands within the present boundaries of that cemetery have been used, the cemetery will be expanded by adding the Arlington Farms tract and/or the South Post of Fort Myer.

CORPS OF ENGINEERS

The budget estimate for the civil functions of the Corps of Engineers in the amount of \$1,025,569,000 compares with an appropriation of \$973,343,880 for fiscal year 1962. The bill as passed by the House provided \$1,006,561,900. The House added \$408,000 for 24 unbudgeted general investigations items and \$369,500 for increases on 11 budgeted surveys. The House also added \$8,677,000 for construction and planning items. Included in the House increase were \$1,223,000 for 10 new planning starts; \$1,130,000 for increased amounts on 5 budgeted items; and \$6,224,000 for 12 new construction starts. These new construction items were financed by (1) reductions in the budget estimates amounting to \$3,861,000 and; (2) increasing the reduction for slippage and savings from \$60 million to \$80 million. The Corps of Engineers have requested restoration of the entire \$23,861,000 in reductions made by the House.

The committee recommends \$1,060,247,800. The committee recommendation is \$34,678,800 above the budget estimate and \$53,685,900 more than the House allowance.

The Senate committee recommended \$13,495,000 for 21 additional construction projects.

The committee notes that 39 projects will be completed with the amount recommended in the budget. The budget recommends funds to initiate 37 new construction projects. The bill as recommended provides for 70 new construction projects.

RESOURCE DEVELOPMENT

The committee is pleased to note the increase in general awareness of the vital necessity of expanding our efforts in the field of soil and water conservation. The committee believes that to a large degree this renewed interest in resource development among Government officials and the general public is the direct result of the Senate Select Committee on Water Resources.

The practical effect of this reawakening is exemplified by the action of the Budget Bureau in recommending 37 new construction starts for fiscal year 1963. Ten years ago there were no new starts recommended in the budget.

The report of the Select Committee on Water Resources indicated that the population of the United States in the contiguous portions was approximately 174 million in 1958 and will increase to 244 million by 1980 and 329 million by the year 2000; that in the next 40 years the consumptive use of water will have increased from approximately 109.5 billions of gallons daily to 156.3 billions; that commerce during this period on our waterways will have increased fourfold; and that our present rate of expenditure for flood control will have to about double, if we are to make any significant progress in the elimination of flood damages. It is imperative, therefore, that if we are to meet our responsibilities to future generations we must not only increase the rate of construction appropriations, but we must above all provide adequate funds for general investigations and comprehensive basin planning.

The bill recommended by the committee meets both of these desirable objectives.

While there will be those who will argue that in this period of international tensions it is imperative that nonessential domestic expenditures be curtailed, the committee is convinced that the expenditures recommended in this bill for water resource development are essential for our economic growth. Funds are provided annually for water resource projects in foreign countries on the very sound basis that such projects are essential to the economic growth and stability of those countries. Certainly just as forceful an argument can be made for similar projects in this country. Unless we preserve and conserve the material resources of this country, there will be no funds available for the economic development of the newer nations which the United States is trying to assist.

RIVERS AND HARBORS AND FLOOD CONTROL

GENERAL INVESTIGATIONS

Appropriations, 1962-----	\$15, 877, 000
Budget estimate, 1963-----	17, 265, 000
House allowance-----	16, 561, 900
Committee recommendation-----	19, 192, 300

In recommending \$19,192,300, the committee approved the House action with respect to general investigations, with the following exceptions: It has restored the budget estimate for the following studies:

Study	Budget	House	Senate
(N) Great Salt Lake, Garfield, Utah-----	\$17, 800	-----	\$17, 800
(FC) Sac River and Butte Basin, Calif.-----	25, 000	-----	25, 000
(FC) Missouri River, N. Dak., S. Dak., and Nebr-----	60, 000	-----	60, 000
(S) Ohio River review-----	600, 000	\$500, 000	600, 000
Nuclear explosives-----	665, 000	400, 000	665, 000
Reduction, north central division-----	-----	-----	208, 000

ALLOCATION OF COMMITTEE RECOMMENDATIONS

The committee reaffirms its position that an active, well-balanced survey program is the keystone of an orderly and sound water resource program.

As in the past, the committee prefers not to make specific allocations to individual investigations. It desires, however, to call to the attention of the Corps of Engineers the testimony presented to the committee with respect to the need for increased amounts for surveys contained in its tentative allocation of budget recommendations, and expects that increased amounts will be applied to those surveys where feasible. In the allocation of the balance of the increase recommended it is desired that careful consideration be given to the needs of those areas for which testimony was presented to the committee.

General investigations, fiscal year 1963

Item	Budget estimate for fiscal year 1963	House allowance	Committee recommendation
(1)	(2)	(3)	(4)
GENERAL INVESTIGATIONS			
1. Surveys:			
(a) Navigation studies-----	\$1, 600, 000	\$1, 818, 600	\$2, 265, 400
(b) Flood control studies-----	4, 600, 000	4, 925, 500	5, 896, 900
(c) Beach erosion cooperative studies-----	250, 000	250, 000	250, 000
(d) Special studies:			
(1) San Francisco Bay survey-----	200, 000	200, 000	200, 000
(2) Ohio River Basin review-----	600, 000	500, 000	600, 000
(3) Potomac River review-----	75, 000	75, 000	75, 000
(4) Colorado River, Tex.-----	228, 000	228, 000	228, 000
(5) Great Lakes water levels-----	85, 000	85, 000	110, 000
(6) Rampart Canyon, Alaska-----	315, 000	315, 000	415, 000
(7) Arkansas-Red River pollution study-----	177, 000	177, 000	227, 000
(8) Lake Erie-Ohio River Canal-----	220, 000	220, 000	220, 000
(9) Great Lakes-Hudson River Waterway-----	200, 000	200, 000	200, 000
(10) Lake Erie-Ontario Waterway, N. Y.-----	200, 000	200, 000	200, 000
(11) Susquehanna River Basin-----	300, 000	300, 000	300, 000
(12) Jersey Meadows, N. Y. and N. J.-----	150, 000	150, 000	150, 000
(13) Red River, La., Ark., Okla., and Tex.-----	250, 000	250, 000	300, 000
(14) Meramac River Basin, Mo.-----	215, 000	215, 000	215, 000
(15) Pascagoula River Basin, Miss.-----	100, 000	100, 000	100, 000
(16) Willamette River Basin, Oreg.-----	100, 000	100, 000	200, 000

General investigations, fiscal year 1963—Continued

Item	Budget estimate for fiscal year 1963	House allowance	Committee recommendation
(1)	(2)	(3)	(4)
GENERAL INVESTIGATIONS—continued			
1. Surveys—Continued			
(d) Special studies—Continued			
(17) Grand River Basin, Mich.	\$100,000	\$100,000	\$100,000
(18) Connecticut River Basin	100,000	100,000	100,000
(19) Upper Mississippi River Basin	200,000	200,000	200,000
(20) White River Basin, Ark. and Mo.	100,000	100,000	100,000
(21) Brazos River Basin, Tex.	100,000	140,000	140,000
(25) Hurricane studies	945,000	945,000	945,000
(26) Coordination studies with other agencies	300,000	300,000	300,000
(27) Basin planning	400,000	-----	-----
(28) Kanawha River Basin, W. Va.	-----	-----	200,000
(29) Lake Champlain Waterway, N.Y. and Vt.	-----	-----	50,000
Subtotal, surveys	12,110,000	12,194,100	14,287,300
2. Collection and study of basic data:			
(a) Stream gaging (U.S. Geological Survey)	250,000	250,000	250,000
(b) Precipitation studies (U.S. Weather Bureau)	380,000	380,000	380,000
(c) Fish and wildlife studies (U.S. Fish and Wildlife Service)	100,000	100,000	100,000
(d) International water studies	85,000	85,000	85,000
(e) Flood plain studies	700,000	700,000	700,000
Subtotal, collection and study of basic data	1,515,000	1,515,000	1,515,000
3. Research and development:			
(a) Beach erosion development studies	\$400,000	\$400,000	\$400,000
(b) Hydrologic studies	175,000	175,000	175,000
(c) Civil works investigations	1,550,000	1,300,000	1,300,000
(d) Mississippi Basin model:			
(1) Construction	650,000	650,000	650,000
(2) Mississippi River comprehensive study	200,000	200,000	200,000
(e) Nuclear explosives studies for civil construction	665,000	400,000	665,000
Subtotal, research and development	3,640,000	3,125,000	3,390,000
Other reductions and slippages	-----	-272,200	-----
Total, general investigations	17,265,000	16,561,900	19,192,300

CONSTRUCTION, GENERAL

Appropriation, 1962	\$724,021,880
Budget estimate, 1963	780,645,000
House allowance	762,361,000
Committee recommendation	807,962,500

Economical construction schedules.—In general, it is the opinion of the committee that the budget estimates and the amounts allowed by the House, together with the transfer authority available to the Chief of Engineers, will provide adequate funds for projects under consideration. In a few instances the committee has increased the amount allowed, but in general it has adhered to the budget estimates for work underway.

ADVANCE ENGINEERING AND DESIGN

The committee has approved additional funds for advance planning in order to insure a steady flow of well-planned projects for consideration in future years. The committee has recommended \$21,832,000 for this purpose, which is \$5,338,000 above the House and \$2,232,000 above the budget.

ALLOCATION OF SENATE COMMITTEE RECOMMENDATIONS

The allocation of the amount recommended by the committee for the individual projects is shown in the accompanying table.

Construction, general, fiscal year 1963

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget esti- mate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Alabama:								
Aquatic plant control. (See Louisiana.)								
<i>Claborne lock and dam.</i>	\$20,200,000	\$250,000		\$210,000		\$210,000		\$210,000
<i>Columbia lock and dam, Alabama and Georgia.</i>	12,500,000	10,246,000	\$2,254,000		\$2,254,000		\$2,179,000	
<i>Holt lock and dam.</i>	33,700,000	1,450,000	3,500,000		3,500,000		3,500,000	
<i>Jones Bluff lock and dam.</i>	52,600,000	266,000		150,000		150,000		150,000
<i>Millers Ferry lock and dam.</i>	53,200,000	824,000	1,000,000		1,000,000		1,000,000	
<i>Mobile Harbor.</i>	6,600,000	3,548,000					600,000	
<i>Paint Rock River.</i>	800,000	259,000	350,000		350,000		350,000	
<i>Tennessee-Tombigbee Waterway, Ala. and Miss.</i>	262,244,000	1,494,000					500,000	225,000
Tombigbee River and tributaries. Alabama and Missis- sippi. (See Mississippi.)								
Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia.	78,300,000	70,162,000	\$8,138,000		8,138,000		8,073,000	
Alaska:								
<i>Bradley Lake (not authorized)</i>	47,100,000	150,000		100,000				100,000
<i>Fairbanks.</i>	11,400,000	310,000		60,000		60,000		60,000
<i>Juneau Harbor.</i>	1,272,000	512,000	760,000		760,000		760,000	
Arizona:								
<i>Alamo Reservoir.</i>	11,300,000	625,000					500,000	
<i>Gila and Salt Rivers.</i>	3,380,000	110,000		90,000		90,000		90,000
<i>Gila River and tributaries—downstream from Painted Rock (not authorized).</i>	18,400,000	1145,000		100,000				100,000
<i>Tucson.</i>	4,830,000	345,000	400,000		400,000		400,000	
Arkansas:								
Arkansas River and tributaries, Arkansas and Oklahoma:								
(a) Bank stabilization and channel rectification.	130,500,000	51,821,000	18,000,000		18,000,000		18,000,000	
(b) <i>Navigation locks and dams.</i>	449,000,000	1,647,000		2,000,000		2,000,000	600,000	2,000,000
Beaver Reservoir.	46,600,000	15,528,000	14,000,000		14,000,000		14,000,000	
Bull Shoals Reservoir, Ark. and Mo., additions of units Nos. 7 and 8.	5,600,000	2,607,000	2,000,000		2,000,000		2,000,000	
Dardanelle lock and dam.	87,000,000	22,418,000	16,000,000		16,000,000		16,000,000	
<i>De Queen Reservoir.</i>	9,510,000	16,000		50,000		50,000		50,000
<i>De Gray Reservoir.</i>	48,200,000	1,200,000	950,000		1,550,000		1,550,000	
<i>Dierks Reservoir.</i>	8,530,000	15,000						30,000
<i>Garland City, Red River.</i>	960,000	245,000	150,000		150,000		150,000	
<i>Gilham Reservoir.</i>	13,400,000	291,000		99,000		99,000	350,000	99,000
<i>Greers Ferry Reservoir.</i>	48,800,000	39,295,000	4,900,000		4,900,000		4,832,000	
<i>Millwood Reservoir.</i>	55,700,000	3,989,000	9,500,000		9,500,000		9,500,000	
<i>Ouachita and Black Rivers, Ark. and La.</i>	45,500,000	490,000		235,000		235,000	165,000	235,000

(N)	Ozark lock and dam	36,300,000	160,000	300,000	300,000	300,000	300,000	300,000	300,000
(FC)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	10,100,000	9,120,000	300,000	300,000	300,000	300,000	300,000	300,000
	California:								
(FC)	Alameda Creek (not authorized)	15,000,000	1,120,000						
(FC)	Bear Creek	2,790,000	171,000						
(FC)	Black Butte Reservoir	14,800,000	11,271,000						
(FC)	Camanche Reservoir	11,027,000	1,120,000						
(R)	Crescent City Harbor (breakwater)	500,000							
(FC)	Dry Creek Reservoir (not authorized)	44,620,000	1,800,000						
(FC)	Hidden Reservoir (not authorized)	15,300,000	1,420,000						
(BE)	Imperial Beach, San Diego County (reimbursement)	118,000	30,000						
(FC)	Los Angeles County drainage area	300,000,000	237,882,000						
(N)	Los Angeles and Long Beach Harbors (1960 act)	1,790,000	85,000						
(FC)	Lower San Joaquin River and tributaries	13,100,000	6,225,000						
(FC)	Monterey Harbor	4,690,000	1,700,000						
(R)	Morro Bay (breakwater)	1,800,000	800,000						
(FC)	New Hogan Reservoir	14,000,000	8,860,000						
(N)	Noyo River and Harbor Mooring Basin	456,000	113,000						
(BE)	Oceanside (reimbursement)	1,350,000	678,000						
(FC)	Oroville Reservoir	66,375,000	179,000						
(FC)	Russian River Basin (Coyote Valley Dam)	14,452,000	12,575,000						
(FC)	Sacramento River bank protection	13,100,000	150,000						
(FC)	Sacramento River and major and minor tributaries	12,600,000	5,621,000						
(FC)	Sacramento River, Chico Landing to Red Bluff	1,990,000	97,000						
(FC)	Sacramento River deep water ship channel	41,800,000	33,121,000						
(FC)	Sacramento River flood control project	72,600,000	66,810,000						
(BE)	Santa Cruz County (reimbursement)	770,000	110,000						
(N)	Santa Cruz Harbor	1,830,000	310,000						
(FC)	Stewart Canyon debris basin	870,000	348,000						
(FC)	Tahchevah Creek	1,110,000	150,000						
(FC)	Walnut Creek	20,800,000	129,000						
(FC)	West Fork Reservoir	3,690,000	205,000						
	Colorado:								
(FC)	Trinidad Reservoir	21,000,000	604,000						
	Connecticut:								
(FC)	Ansonia-Derby (not authorized)	5,640,000	120,000						
(FC)	Black Rock Reservoir	3,550,000	110,000						
(N)	Bridgeport Harbor, Black Rock Harbor	510,000	17,000						
(N)	Bridgeport Harbor, Johnsons River	(4)	(4)						
(FC)	Colebrook River Reservoir	11,300,000	70,000						
(BE)	Cummings Park	(2)	(2)						
(FC)	East Branch Reservoir	1,770,000	385,000						
(FC)	Hancock Brook Reservoir	2,620,000	235,000						
(FC)	Hop Brook Reservoir	2,800,000	120,000						
(FC)	Mad River Reservoir	4,880,000	3,084,000						
(FC)	Northfield Brook Reservoir	1,620,000	214,000						
(FC)	Slamford	3,080,000	150,000						
(FC)	West Thompson Reservoir	4,060,000	170,000						

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget estimate for fiscal year 1963		Amount allowed by House		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Delaware: <i>Delaware River, Philadelphia to sea, anchorages at Reddy Point, Deepwater Point, and enlarging Marcus Hook and Hook and Mantau Creek anchorages, Delaware and New Jersey. (See New Jersey.)</i> <i>Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)</i> <i>Indian River Inlet (bulkheads)</i> <i>Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), Part II, Delaware and Maryland.</i> <i>Rehoboth Beach to Indian River Inlet (reimbursement)</i>								
(1) (N)	\$1,356,000	\$25,000	\$750,000		\$750,000		\$750,000	
(N)	98,840,000	1,695,000	5,000,000		5,000,000		5,000,000	
(BE)	543,000	80,000	110,000		110,000		110,000	
(N)	4,757,000	1,430,000	500,000		500,000		500,000	
(N)								
(N)	263,000	119,000						
(N)	7,916,000	120,000		\$15,000		\$15,000	25,000	\$15,000
(FC)	212,600,000	82,112,000	780,000				80,000	
(N)	168,000,000	1,700,000	13,500,000		13,500,000		13,500,000	
(FC)	59,900,000	1,341,000		205,000				205,000
(N)								150,000
	8,050,000	2,715,000	900,000		900,000		900,000	
(N)	12,300,000	8,697,000	800,000		800,000		800,000	
(BE)	4,050,000	140,000	400,000		400,000		400,000	
	420,000	151,000	15,000		15,000		15,000	
(N)	6,460,000	2,916,000	677,000		677,000		677,000	
(N)	1,479,000	279,000	1,200,000		1,200,000		1,200,000	
(N)	269,000			10,000		10,000		10,000
Georgia: <i>Aquatic plant control. (See Louisiana.)</i> <i>Carters Dam.</i> <i>Columbia lock and dam, Alabama and Georgia. (See Alabama.)</i> <i>Hartwell Reservoir, Ga. and S.C.</i> <i>Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)</i> <i>West Point Dam (not authorized)</i>								
(MP)	40,600,000	825,000	2,500,000		2,500,000		2,500,000	
(MP)	86,215,000	82,515,000	\$3,700,000		3,700,000		3,640,500	
(MP)	53,000,000	1,69,000		\$100,000				100,000

[illegible]

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget esti- mate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Indiana:								
(FC) <i>Brookville Reservoir</i>	\$21,800,000	1 \$10,000				\$75,000		\$75,000
(N) Calumet River and Harbor, Ill. and Ind. (See Illinois.)	72,400,000	1,006,000	\$2,750,000		\$2,750,000		\$2,750,000	
(FC) Cannelton locks and dam, Indiana and Kentucky	14,500,000	2,821,000	700,000		700,000		700,000	
(FC) Evansville	2,140,000			\$10,000		10,000		10,000
(FC) <i>Greenfield Bayou levee (deferred)</i>	16,200,000	251,000					1,000,000	
(FC) <i>Huntington Reservoir</i>								
(N) Illinois Waterway, Ill. and Ind. (See Illinois.)	820,000	310,000	510,000		510,000		510,000	
(FC) <i>Indiana Harbor, 1960 Act</i>	11,300,000	170,000	250,000		250,000		350,000	
(FC) <i>Levee unit 5, Wabash River</i>								
(FC) Markland locks and dam, Indiana, Kentucky, and Ohio.								
(FC) (See Kentucky.)								
(FC) Mason J. Niblack levee	2,810,000	480,000	700,000		700,000		700,000	
(FC) MeAlpine locks and dam, Indiana and Kentucky. (See Kentucky.)								
(FC) Mississinewa Reservoir	24,700,000	765,000	1,690,000		1,690,000		2,000,000	
(FC) Monroe Reservoir	5,930,000	1,361,000	800,000		800,000		800,000	
(N) <i>Newburg lock and dam, Indiana and Kentucky</i>	58,400,000	1,720,000				150,000		150,000
(FC) Salamonie Reservoir	19,000,000	986,000	1,800,000		1,800,000		1,800,000	
(N) <i>Uniontown locks and dam, Indiana and Kentucky</i>	59,200,000	225,000		200,000		200,000		200,000
(FC) West Terre Haute	710,000	378,000	332,000		332,000		332,000	
Iowa:								
(FC) <i>Chariton River, Iowa and Missouri</i>	3,075,000	60,000				50,000		50,000
(FC) <i>Corabille Reservoir, Mehauffey Bridge</i>	1,320,000	70,000		40,000		40,000		40,000
(FC) <i>Des Moines</i>	975,000	45,000		40,000		40,000		40,000
(FC) Floyd River and tributaries	10,900,000	1,779,000	3,000,000		3,000,000		3,000,000	
(FC) Green Bay Levee and Drainage District No. 2	1,570,000	220,000	100,000		100,000		100,000	
(FC) <i>Indian Creek (not authorized)</i>	1,350,000	115,000		150,000				50,000
(FC) Iowa River—Flint Creek Levee District No. 16	8,300,000	590,000	700,000		700,000		700,000	
(FC) Little Sioux River	15,500,000	13,947,000	500,000		500,000		500,000	
(FC) Missouri River agricultural levees, Iowa, Kansas, Mis-								
(FC) souri and Nebraska (active units)								
(N) Missouri River channel stabilization, Iowa, Kansas,	60,600,000	28,751,000	2,300,000		2,350,000		3,000,000	
(N) Missouri, and Nebraska:								
(a) Sioux City, Iowa, to Omaha, Nebr.								
(b) Omaha, Nebr., to Kansas City	114,000,000	78,632,000	6,000,000		6,000,000		6,000,000	
(c) Kansas City to the mouth	117,000,000	108,477,000	2,400,000		2,400,000		2,400,000	
(FC) Muscatine Island Levee District and Muscatine-Louis-	131,000,000	122,129,000	3,000,000		3,000,000		3,000,000	
(FC) County Drainage District No. 13	3,040,000	2,106,000	150,000		150,000		150,000	

(FC)	Fathbun Reservoir	22,000,000	341,000	159,000	9,800,000	159,000	9,800,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,800,000	159,000	9,8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See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget estimate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Louisiana:								
(N) Aquatic plant control, Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas.	\$6,395,000	\$2,391,000	\$940,000		\$940,000		\$940,000	
(N) Bayou La Fourche and LaFourche Jump Waterway	4,680,000	202,000	500,000		500,000		500,000	
(N) Bayou Le Carpe (not authorized)	47,000	12,000						
(N) Calcasieu River and Pass (1960 act)	19,100,000	238,000	2,500,000		2,500,000		2 (45,000)	
(N) Calcasieu River salt water barrier (not authorized)	3,314,000	134,000					2,500,000	
(N) Campti Clarence levee (not authorized)	1,313,000	120,000						\$56,000
(N) Freshwater Bayou	7,530,000	234,000	600,000		600,000		600,000	50,000
(N) Mississippi River, Baton Rouge to the Gulf of Mexico	8,300,000	5,731,000	2,569,000		2,569,000		2,569,000	
(N) Mississippi River gulf outlet	95,000,000	26,569,000	8,000,000		8,000,000		8,000,000	
(N) New Orleans to Venice, La., Hurricane Protection (not authorized).	7,575,000	173,000		\$265,000				265,000
Quachita and Black Rivers, Ark. and La. (See Arkansas.)								
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)								
Maine:								
(N) Bass Harbor								
(N) Kennebec River (not authorized)	(3)	110,000					3 (183,000)	
(N) Portland Harbor deepen to 45 ft. (not authorized)	280,000	135,000						17,000
(N) Portsmouth Harbor and Piscataquo River, N.H. and Maine (not authorized). (See New Hampshire.)	8,375,000						550,000	
(N) Searsport Harbor (not authorized)	710,000	110,000						10,000
Maryland:								
(N) Baltimore Harbor and channels (1958 act)								
(FC) Bloomington Reservoir (not authorized)	28,000,000	4,928,000	4,100,000		4,100,000		4,100,000	
(FC) Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal) Part II, Delaware and Maryland. (See Delaware.)	51,000,000	134,000		1100,000				100,000
(N) Pocomoke River	780,000	116,000	300,000		300,000		300,000	
Massachusetts:								
(R) Cape Cod Canal-Bourne Bridge	1,300,000							
(N) Chelsea River (not authorized)	2,800,000	117,000		38,000		\$38,000		38,000
(FC) Chicopee Falls	1,880,000	145,000						15,000
(FC) Conant Brook Reservoir	2,080,000	70,000	350,000	160,000	350,000	160,000	350,000	160,000
(FC) Littleville Reservoir	7,000,000	609,000	1,900,000		2,200,000		2,200,000	
(FC) New Bedford-Fairhaven and Acushnet barriers	10,626,000	1,100,000	#1,200,000		1,200,000		1,200,000	

(N)	Provincetown Harbor	2,105,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
(FC)	Three Rivers	1,270,000	60,000	50,000	350,000	350,000	350,000	350,000	15,000
(FC)	Wareham-Marion (not authorized)	3,852,000	140,000	173,000	23,000	23,000	23,000	23,000	73,000
(BE)	Wassagunset Beach (reimbursement)	116,000	14,000	23,000	23,000	23,000	23,000	23,000	120,000
(FC)	Westfield	3,284,000	74,000	120,000	120,000	120,000	120,000	120,000	120,000
	Michigan:								
(N)	Detroit River channel north of Belle Isle	(2)	515,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	2(350,000)
(N)	Detroit River, enlarge Trenton Channel	6,760,000	17,000	17,000	830,000	830,000	830,000	830,000	4,000,000
(N)	Gladstone Harbor Little Bay DeNoc (not authorized)	1,357,000	335,000	3,200,000	3,200,000	3,200,000	3,200,000	3,200,000	2(350,000)
(N)	Grand Haven Harbor (piers and revetment)	1,165,000	113,767,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	3,200,000
(R)	Great Lakes connecting channels	127,000,000	243,000	300,000	300,000	300,000	300,000	300,000	1,000,000
(N)	Hammond Bay Harbor	1,500,000	68,000	610,000	610,000	610,000	610,000	610,000	300,000
(N)	Holland Harbor (piers, revetment, and breakwater)	1,650,000	226,000	900,000	900,000	900,000	900,000	900,000	610,000
(N)	Little Lake Harbor	836,000	387,000	45,000	45,000	45,000	45,000	45,000	40,000
(N)	Ludington Harbor (piers, revetments, and breakwater)	2,300,000	45,000	300,000	300,000	300,000	300,000	300,000	900,000
(N)	Manistee Harbor	1,860,000	300,000	300,000	300,000	300,000	300,000	300,000	45,000
(R)	Manistique Harbor (breakwater)	2,351,000	300,000	500,000	500,000	500,000	500,000	500,000	300,000
(R)	Manistique Harbor (piers, revetment, and breakwater)	1,125,000	45,000	300,000	300,000	300,000	300,000	300,000	300,000
(R)	Marquette Harbor (minor rehabilitation)	1,670,000	300,000	500,000	500,000	500,000	500,000	500,000	(300,000)
(R)	Menominee Harbor (piers), Michigan and Wisconsin	645,000	110,000	140,000	140,000	140,000	140,000	140,000	500,000
(N)	Muskegon Harbor (not authorized)	1,670,000	138,000	150,000	150,000	150,000	150,000	150,000	18,000
(R)	Presque Isle Harbor (minor rehabilitation)	9,430,000	4,131,000	1,666,000	1,666,000	1,666,000	1,666,000	1,666,000	(140,000)
(FC)	River Rouge (not authorized)	5,800,000	279,000	300,000	300,000	300,000	300,000	300,000	50,000
(N)	Saginaw River	16,200,000	348,000	81,000	81,000	81,000	81,000	81,000	1,666,000
(FC)	Saginaw River	429,000	348,000	81,000	81,000	81,000	81,000	81,000	300,000
(N)	St. Joseph Harbor (piers and revetments)	33,200,000	6,575,000	750,000	750,000	750,000	750,000	750,000	81,000
(N)	St. Marys River, New Poc lock	1,100,000	343,000	570,000	570,000	570,000	570,000	570,000	81,000
(N)	South Haven Harbor (piers and revetments)	1,100,000	343,000	570,000	570,000	570,000	570,000	570,000	750,000
	Minnesota:								570,000
(N)	Duluth-Superior Harbor:								
	(a) Inner Harbor 27-foot and 23-foot channels	2,690,000	64,000	300,000	300,000	300,000	300,000	300,000	300,000
	(b) Outer Harbor 32-foot to 27-foot channel	4,240,000	498,000	#2,580,000	2,580,000	2,580,000	2,580,000	2,580,000	2,580,000
(FC)	Marshall, Redwood River	2,318,000	390,000	750,000	750,000	750,000	750,000	750,000	2,580,000
(R)	Reservoirs at headwaters of Mississippi River (Winnibigoshish Dam)	700,000	25,870,000	4,430,000	4,430,000	4,430,000	4,430,000	4,430,000	750,000
(N)	St. Anthony Falls extension	30,300,000	1,607,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	30,000
(FC)	St. Paul and South St. Paul	6,280,000	1,607,000	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	4,430,000
	Mississippi:								1,700,000
	Aquatic plant control. (See Louisiana.)								
(FC)	Jackson and East Jackson	3,636,000	127,000	500,000	500,000	500,000	500,000	500,000	500,000
(FC)	Okatibbee Creek Reservoir (not authorized)	6,800,000	161,000	123,000	123,000	123,000	123,000	123,000	500,000
(N)	Pastagonia Harbor (not authorized)	4,885,000	115,000	106,000	106,000	106,000	106,000	106,000	150,000
	Tennessee-Tombigbee Waterway, Alabama and Mississippi. (See Alabama.)								1,500,000
(FC)	Tombigbee River and tributaries	24,100,000	174,000	106,000	106,000	106,000	106,000	106,000	106,000

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget estimate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Missouri:								
Bull Shoals Reservoir, Units 7 and 8, Arkansas and Missouri. (See Arkansas.)								
Canton (FC)	\$1,580,000	\$961,000	\$200,000		\$200,000		\$200,000	
Cape Girardeau and vicinity (FC)	5,550,000	4,451,000	200,000		200,000		200,000	
Chariton River, Iowa and Missouri. (See Iowa.)								
Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri. (See Illinois.)								
Gregory Drainage District (not authorized) (FC)	1,055,000	110,000						\$50,000
Hannibal (not authorized) (FC)	4,400,000	16,000		†550,000		\$100,000		50,000
Joanna Reservoir (not authorized) (MP)	63,400,000	407,000						100,000
Kansas City, Kans. and Mo. (See Kansas.)								
Kaysinger Bluff Reservoir (with power) † (MP)	142,800,000	838,000						267,000
Kaysinger Bluff Reservoir, highway construction (FC)	2,542,000	1,000,000	1,000,000	267,000	1,000,000	267,000	1,000,000	
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo., regulating works. (See Illinois.)								
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
Perry County Drainage and Levee Districts 1, 2, and 3—St. Louis (FC)	6,890,000	5,795,000	180,000		180,000		180,000	
St. Louis (FC)	104,000,000	20,216,000	8,800,000		8,800,000		8,800,000	
South River Drainage District (FC)	2,030,000	100,000			100,000		100,000	
Stockton Reservoir (MP)	48,000,000	725,000	900,000		900,000		900,000	
Union Township Drainage District (not authorized) (FC)	662,000	17,000						40,000
Montana:								
Libby Reservoir (MP)	325,000,000	2,342,000		2,600,000		2,600,000		2,600,000
Nebraska:								
Little Papillion Creek (not authorized) (FC)	2,250,000	18,000		† 50,000				50,000
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
Norfolk (FC)	2,930,000	115,000						80,000
Pierce (FC)								
Salt Creek and tributaries (FC)	18,900,000	2,205,000	2,300,000		2,300,000		2,300,000	
Waterloo (FC)	175,000	21,000						
West Point (FC)								

(F)	Nevada:	10,900,000	35,000	15,000	15,000	15,000	15,000
(F)	Humboldt River (deferred)	13,500,000	300,000	#100,000	100,000	100,000	100,000
(F)	Las Vegas Wash						
(F)	Martis Creek, Calif. and Nev. (not authorized). See California.						
(F)	New Hampshire:	13,000,000	207,000	30,000	30,000	30,000	30,000
(F)	Clarendon Reservoir (deferred)	21,300,000	18,713,000	2,587,000	2,587,000	2,587,000	2,587,000
(F)	Hopkinton-Everett Reservoir	7,520,000	120,000				
(N)	Portsmouth Harbor and Piscataqua River, N.H. and Maine (not authorized).						
(BE)	New Jersey:	2,170,000	1,050,000	129,000	129,000	129,000	129,000
(BE)	Atlantic City (reimbursement)		14,000	62,000	62,000	62,000	62,000
(BE)	Barneget Light (reimbursement)	936,000		15,000	15,000	15,000	15,000
(R)	Cold Spring Inlet (breakwater)	75,700,000	63,692,000	4,500,000	4,500,000	4,500,000	4,500,000
(N)	Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey.	28,100,000	142,000				
(N)	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging Marcus Hook and Mantua Creek anchorages.						
(R)	Delaware River, Philadelphia to sea (main dikes), New Jersey, Pennsylvania, and Delaware.	2,304,000	30,000	750,000	750,000	750,000	750,000
(BE)	Long Beach Island (reimbursement)	1,896,000	17,000	42,000	42,000	42,000	42,000
(R)	Manasquan Inlet (bulkheads)	434,000		10,000	10,000	10,000	10,000
(R)	New Jersey Intracoastal Waterway (jettes)	1,147,000	58,000	12,000	12,000	12,000	12,000
(BE)	Ocean City (reimbursement)	3,307,000	142,000	158,000	158,000	158,000	158,000
(BE)	Raritan Bay-Sandy Hook Bay (not authorized)	130,000,000	1175,000				
(MF)	Tocks Island Reservoir, Pa. and N.J. (not authorized)						
(F)	New Mexico:	2,100,000	160,000				
(F)	Alamogordo Diversion Channel (not authorized)	48,400,000	387,000	350,000	350,000	350,000	350,000
(F)	Cochiti Reservoir	16,700,000	180,000	200,000	200,000	200,000	200,000
(F)	Galisteo Reservoir	3,530,000	178,000	150,000	150,000	150,000	150,000
(F)	Las Cruces (not authorized)	3,700,000	431,000	1,500,000	1,500,000	1,500,000	1,500,000
(F)	Socorro	5,180,000	3,269,000	1,911,000	1,911,000	1,911,000	1,911,000
(F)	Two Rivers Reservoir						
(F)	New York:	1,093,000		7,000	7,000	7,000	7,000
(F)	Allegany (deferred)						
(N)	Allegany River Reservoir, N.Y. and Pa. (See Pennsylvania.)						
(N)	Buffalo Harbor:	11,100,000	10,650,000	450,000	450,000	450,000	450,000
(N)	(a) Deepen north entrance, Buffalo River entrance, Buffalo River, Buffalo ship canal.	1,800,000	384,000	1,000,000	1,000,000	1,000,000	1,000,000
(N)	(b) South entrance, 28-, 29-, and 30-foot channel (1960 act).						
(F)	Fire Island Inlet to Montauk Point	19,700,000	1155,000				
(N)	Flushing Bay and Creek (not authorized)	2,351,000	134,000	1,500,000	1,500,000	1,500,000	1,500,000
(N)	Great Lakes to Hudson River Waterway	37,300,000	25,653,000	400,000	400,000	400,000	400,000
(R)	Great Sodus Bay (piers)	750,000	277,000	473,000	473,000	473,000	473,000
(F)	Herkimer	1,500,000	314,000	880,000	880,000	880,000	880,000
(N)	Hudson River, New York City to Albany	34,200,000	7,680,000	5,300,000	5,300,000	5,300,000	5,300,000
(F)	Ithaca (Cayuga Inlet)	4,350,000	108,000	112,000	112,000	112,000	112,000

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget estimate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
New York—Continued								
(FC) <i>Lackawanna</i> -----								
(FC) <i>Lake Champlain and Chataquin River</i> -----	\$2,330,000	\$202,000		\$78,000				\$78,000
(FC) <i>New York and New Jersey Channels Shooters Island Dike.</i> (See New Jersey.)	6,270,000	1,112,000		35,000				35,000
(N) New York Harbor, 35-foot channel from ocean to bayside -----								
(N) Rochester Harbor-----	2,050,000	513,000	\$1,537,000		\$1,537,000		\$1,537,000	
(N) Selkirk Shores State Park (reimbursement)	2,570,000	461,000	900,000		900,000		900,000	
(BE) South Amsterdam-----	118,000	22,000	40,000		40,000		40,000	
(FC) <i>Tocks Island Reservoir, Pa. and N.J. (not authorized).</i> (See New Jersey.)	1,760,000	110,000	300,000		300,000		300,000	
North Carolina:								
Aquatic plant control. (See Louisiana.)								
(FC) <i>New Hope Reservoir (not authorized)</i> -----								
(FC) Wilkesboro Reservoir -----	25,293,000	1,150,000		†100,000				100,000
(N) <i>Wilmington Harbor, 38 and 40 ft. depth (not authorized)</i> -----	6,597,000	6,097,000	800,000		800,000		779,000	135,000
North Dakota:								
(FC) <i>Bowman-Haley Reservoir (not authorized)</i> -----	4,264,000	1,60,000						180,000
(MT) Garrison Reservoir-----	291,000,000	288,283,000	600,000		600,000		600,000	
Ohio:								
(N) Ashtabula Harbor (1960 act)-----	2,220,000	426,000	1,200,000		1,200,000		1,200,000	
(N) Belleville locks and dam, Ohio and West Virginia-----	61,500,000	1,346,000	3,200,000		3,200,000		3,200,000	
(FC) <i>Big Darby Creek Reservoir</i> -----	24,800,000	1,34,000				250,000		250,000
(FC) <i>Buck Creek Reservoir (not authorized)</i> -----	8,150,000	1,43,000						75,000
Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)								
(N) Cleveland Harbor:-----								
(a) Bridge replacements widening, Cuyahoga and Old River and deepening channel in east basin and outer harbor (1958 act)								
(b) 28-foot approach channel, 27-foot entrance channel, 27-foot river channel, 28 feet in west basin (1960 act)								
Cleveland Harbor (breakwater) -----								
(R) <i>Conneaut Harbor (breakwater)</i> -----	2,280,000	400,000	1,000,000		1,000,000		1,000,000	
(R) <i>Deer Creek Reservoir</i> -----	468,000	215,000	253,000		253,000		253,000	
(FC) <i>Fairport Harbor</i> -----	582,000	17,000	265,000		265,000		265,000	
(N) <i>Haverhill locks and dam, Ohio and West Virginia</i> -----	16,100,000	1,34,000				250,000		250,000
(N) <i>Lorain Harbor (1960 act)</i> -----	3,030,000	90,000	400,000		400,000		400,000	
(N) -----	56,700,000	1,220,000		100,000		100,000		100,000
(N) -----	21,600,000	759,000	3,000,000		3,000,000		3,000,000	

Markland lock and dam, Indiana, Kentucky, and Ohio.

(FC)	Paint Creek Reservoir	19,800,000	134,000	12,400,000	250,000	12,348,250	250,000
(N)	Pike Island locks and dam, Ohio and West Virginia	61,400,000	28,646,000	12,400,000	---	12,348,250	---
(N)	Racine locks and dam, Ohio and West Virginia	76,800,000	130,000	---	395,000	350,000	395,000
(N)	Sandusky Harbor (1960 act)	6,470,000	479,000	1,800,000	---	1,800,000	---
(R)	Sandusky Harbor (east jetty)	430,000	10,000	200,000	---	200,000	---
	Shenango River Reservoir, Ohio and Pa. (See Pennsylvania)						
(N)	Toledo Harbor (1950, 1958, and 1960 acts)	18,000,000	432,000	4,700,000	---	4,700,000	---
(FC)	West Branch Reservoir, Mahoning River	11,230,000	2,365,000	2,400,000	---	2,400,000	---
	Oklahoma:						
	Arkansas-Fed Rivers salinity control (initial phase), Oklahoma and Texas (not authorized). (See Texas.)						
	Arkansas River and tributaries bank stabilization and channel rectification, Arkansas and Oklahoma. (See Arkansas.)						
	Arkansas River and tributaries navigation locks and dam, Arkansas and Oklahoma. (See Arkansas.)						
(FC)	Barber Reservoir (not authorized)	3,250,000	15,000	3,400,000	---	3,400,000	20,000
(FC)	Broken Bow Reservoir	15,800,000	1,532,000	3,400,000	---	3,400,000	---
(MP)	Enfauila Reservoir	125,000,000	65,689,000	31,300,000	---	31,265,000	---
(FC)	Kaw Reservoir (not authorized)	86,554,000	170,000	---	175,000	---	75,000
(FC)	Keystone Reservoir	107,000,000	65,768,000	21,000,000	---	20,990,000	---
(FC)	Optima Reservoir (deferred)	21,100,000	226,000	600,000	---	600,000	50,000
(FC)	Pine Creek Reservoir	21,200,000	400,000	---	---	---	---
(MP)	Short Mountain lock and dam	101,000,000	344,000	---	531,000	---	531,000
(FC)	Skatook Reservoir (not authorized)	22,733,000	123,000	---	140,000	---	40,000
(N)	Webbers Falls lock and dam	60,400,000	155,000	---	325,000	---	325,000
	Oregon:						
(FC)	Blue River Reservoir	21,800,000	775,000	---	---	500,000	---
(N)	Columbia and Lower Willamette River below Vancouver, Wash. and Portland, Ore. (not authorized); (a) 40-foot channel	20,219,000	119,000	---	1100,000	---	100,000
(N)	(b) 35 feet from mouth of Willamette River to Vancouver	501,000	19,000	---	---	---	---
(N)	Columbia River at the mouth, Oregon and Washington	10,900,000	3,142,000	---	130,000	---	130,000
(R)	Columbia River at the mouth (jetties), Oregon and Washington	9,300,000	750,000	2,000,000	---	2,000,000	---
	ton.						
(FC)	Columbia River local protection:						
	John Day River	405,000	72,000	---	20,000	---	20,000
(N)	Coos and Millicoma River	546,000	17,000	---	---	---	23,000
(R)	Coos Bay (south jetty)	2,150,000	550,000	1,600,000	---	1,600,000	---
(MP)	Cougar Reservoir	54,700,000	40,682,000	9,100,000	---	9,079,000	---
(FC)	Fall Creek Reservoir	27,000,000	1,600,000	1,900,000	---	1,900,000	---
(FC)	Green Peter Reservoir	73,100,000	8,574,000	6,100,000	---	6,100,000	---
(MP)	John Day lock and dam, Oregon and Washington	400,000,000	81,780,000	43,000,000	---	43,000,000	---
(MP)	Lower Columbia River bank protection, Oregon and Washington.	8,600,000	861,000	400,000	---	400,000	---
(FC)	Lower Columbia River improvement to existing works: Beaver Drainage District	825,000	309,000	516,000	---	516,000	---

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Approved budget estimate for fiscal year 1963		Amount allowed by House—		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Vermont:								
(R) Burlington Harbor (breakwater)-----	\$1,430,000	\$325,000	\$800,000		\$800,000		\$800,000	
Virginia:								
(FC) <i>Gathright Reservoir and Falling Springs reregulating dam</i> <i>(deferred)</i> -----	31,800,000	101,000		\$40,000		\$40,000		\$40,000
(FC) John W. Flannagan (Pound) Reservoir-----	12,800,000	7,632,000	3,200,000		3,200,000		3,534,000	
(FC) <i>Norfolk (not authorized)</i> -----	1,770,000	168,000		\$87,000				87,000
(FC) <i>North Fork of Pound Reservoir</i> -----	4,600,000	180,000	500,000		500,000		500,000	
Washington:								
(FC) Colfax-----	4,000,000	960,000	\$1,200,000		1,200,000		1,200,000	
Columbia River at the mouth, Oregon and Washington— jetties. (See Oregon.)								
<i>Columbia River at the mouth, Oregon and Washington. (See</i> <i>Oregon.)</i>								
(FC) <i>Dayton</i> -----	(²)		(²)				(²)	
(N) Everett Harbor and Snohomish River-----	1,408,000	200,000	1,208,000		1,208,000		1,208,000	
(FC) Howard A. Hanson (Eagle Gorge) Reservoir-----	37,500,000	37,300,000	200,000		200,000		200,000	
John Day lock and dam, Oregon and Washington. (See Oregon.)								
(MP) <i>Little Goose lock and dam</i> -----	144,000,000	2,000,000	1,600,000		1,600,000		1,600,000	
Lower Columbia River bank protection, Oregon and Wash- ington. (See Oregon.)								
(FC) Lower Columbia River improvement to existing works: <i>Clatsop County Consolidated Diking and Improvement</i> <i>District No. 2.</i>	1,420,000	111,000		50,000		50,000		50,000
(FC) Lower Columbia River levees at new locations: <i>Kalama River, south area</i> -----	902,000	12,000						
(MP) <i>Lower Granite lock and dam</i> -----	147,000,000	820,000		500,000		500,000		10,000
(MP) Lower Monumental lock and dam-----	157,000,000	11,285,000	18,500,000		18,500,000		18,500,000	500,000
(FC) <i>Pullman</i> -----	2,100,000	53,000		25,000		25,000		25,000
(FC) <i>Sammamish River</i> -----	1,924,000	130,000	1,000,000		1,060,000		1,060,000	
West Virginia:								
Belleville locks and dam, Ohio and West Virginia. (See Ohio.)								
(FC) <i>Buckhannon (not authorized)</i> -----	1,290,000	127,000		\$30,000		\$65,000		30,000
(FC) <i>Burnsville Reservoir (deferred)</i> -----	8,800,000	15,000		35,000		100,000		65,000
(FC) <i>East Lynn Reservoir</i> -----	13,500,000	120,000		100,000				100,000
(FC) <i>Justice Reservoir (not authorized)</i> -----	60,500,000	123,000						150,000

[illegible]

See footnotes at end of table, pp. 22-23.

Construction, general, fiscal year 1963—Continued

- 1 Amount shown is costs incurred for preauthorization studies only.
- 2 Eligible for selection under lump-sum appropriation for small authorized projects.
- 3 Eligible for selection under small navigation program not requiring specific legislation.
- 4 Power not yet authorized (Kaysinger Bluff Reservoir, Mo.).
- 5 House report recommended \$88,500 is to be used for Barbour Cut, La Porte, Tex., within the \$1,500,000 allowed for small navigation program.
- 6 Studies for West Fork and Steer Creek Reservoirs are proposed to be conducted with additional funds proposed for Burnsville Reservoir.

NOTE.—Projects shown in *italics* are new projects or modifications of projects on which construction has not started, and projects in *bold face* are those projects to be completed with the amount in the approved budget estimate.

[†]In accordance with H. Doc. 477:

Budget amendment

Construction, general		From—	To—
Increases:			
Advance engineering and design:			
Tahcheva Creek, Calif.		\$30,000	\$110,000
Walnut Creek, Calif.		150,000	225,000
Tri Pond levee, Illinois		29,000	48,000
Grayson Reservoir, Ky.		250,000	371,000
Laurel River Reservoir, Ky.		450,000	653,000
Fire Island Inlet to Montauk Point, N.Y.		50,000	250,000
Racine lock and dam, Ohio and West Virginia		200,000	395,000
Cordell Hull Dam, Tenn.		200,000	309,000
Construction:			
Walter F. George Reservoir, Ala. and Ga.		6,400,000	8,138,000
Fishtrap Reservoir, Ky.		4,650,000	6,700,000
Duluth-Superior Harbor, Minn. and Wis.		1,800,000	2,580,000
San Juan Harbor, P.R.		2,400,000	4,500,000
Total, increases		16,629,000	24,279,000
Reductions:			
Advance engineering and design:			
Fairbanks, Alaska.		110,000	60,000
Columbia Valley local protection, Boise Valley, Idaho.		61,000	21,000
Las Vegas Wash, Nev.		160,000	100,000
Willamette River Basin channel improvement and major drainage, West Muddy and Marys River, Oreg.		60,000	0
Little Dell Reservoir, Utah		125,000	0

[†] In accordance with H. Doc. 135: <i>Budget amendment</i>		Allocation
Project and State:		\$100,000
Alaska: Bradley Lake.		100,000
Arizona: Gila River and tributaries, downstream from Painted Rock.		100,000
California:		100,000
Alameda Creek.		100,000
Dry Creek Reservoir and channel improvement.		100,000
Hidden Reservoir.		75,000
Connecticut: Ansonia-Derby.		100,000
Florida: Canaveral Harbor.		80,000
Georgia: West Point Dam.		100,000
Idaho: Ririe Dam.		75,000
Illinois:		110,000
Calumet Harbor and River.		100,000
Kaskaskia River.		75,000
Mount Carmel.		125,000
Oakley Reservoir.		50,000
Iowa: Indian Creek.		50,000
Kansas: Dodge City.		265,000
Louisiana: New Orleans to Venice.		100,000
Maryland: Bloomington Reservoir.		73,000
Massachusetts: Wareham-Marion.		50,000
Michigan: River Rouge.		50,000
Missouri: Hannibal.		50,000
Nebraska: Little Papillion Creek.		200,000
New Jersey: Tocks Island Reservoir, N.J., N.Y., and Pa.		50,000
New Mexico: Las Cruces.		50,000
New York: Tocks Island Reservoir, N.J., N.Y., and Pa. (See New Jersey.)		100,000
North Carolina: New Hope Reservoir.		75,000
Oklahoma:		40,000
Kaw Reservoir.		100,000
Skatoek Reservoir.		100,000
Oregon: Columbia and lower Willamette Rivers, Wash. and Oreg. (40-foot and 35-foot channel projects)		100,000
Pennsylvania:		100,000
Beltsville Reservoir.		50,000
Tocks Island Reservoir.		75,000
Union City Reservoir.		115,000
Texas:		50,000
Fort Worth Floodway (Clear Fork).		87,000
Port Arthur (hurricane protection).		
Vince and Little Vince Bayou.		
Virginia: Norfolk.		

Construction:			
Mad River Reservoir, Conn.	2,236,000	1,826,000	
Hartwell Reservoir, Ga. and S.C.	4,700,000	3,700,000	
New Bedford, Fairhaven, and Acushnet barriers, Massachusetts	2,400,000	1,200,000	
St. Marys River, New Poe lock, Michigan	2,000,000	750,000	
Johnson Creek, Oreg.	150,000	0	
Colfax, Wash.	1,636,000	1,200,000	
Total reductions	13,638,000	8,857,000	
Net change		+\$2,869,000	

Washington: Columbia and lower Willamette Rivers, Oreg. and Wash. (See Oregon.)	30,000
West Virginia: Buckhannon	
Total	3,000,000

CROSS-FLORIDA BARGE CANAL

The committee have added to the bill the \$205,000 item requested by the President in his budget message for the fiscal year 1962 for completing the advanced planning and design of the authorized Cross-Florida Barge Canal. The committee feel that the project is adequately justified by its benefit-cost ratio and that in addition the proposed canal is of great defense importance. It will provide a connected inland water system embracing the midcontinent area and that of the Atlantic seaboard States, and in time of war will serve as a protected water route for the safe interregional movement of raw materials and supplies essential to the defense effort, avoiding the hazardous sea lanes. The committee is likewise mindful of the necessity for such an inland water route for the safe transport of spacecraft engines, too large for rail or highway carriage, from inland points of assembly to Cape Canaveral. These must presently move over the open sea via the Straits of Florida. These considerations indicate the need for prompt completion of the preconstruction planning of this project in order that construction may be initiated without delay.

• FALLOUT SHELTERS

During the course of the hearings the committee was surprised to learn that fallout shelters were being included in various Corps of Engineers projects. As long as the fallout shelter program was reviewed by Congress in the independent offices appropriation bill, this item was held back. As soon as this function was transferred to the Department of Defense, they started to move forward with the program.

It is the desire of the committee that none of the funds contained in this act shall be used for the construction of fallout shelters as a part of the civil works projects of the Corps of Engineers.

The committee notes that the cost of these shelters was included in other items and was not readily identified. The committee has taken specific action to delete the \$947,500 included in the 1963 program on the following projects:

Fallout protection measures in fiscal year 1963 budget request construction, general projects

Project	Type of measures and persons protected	Total estimated cost	Amount spent through fiscal year 1961	Amount allocated for fiscal year 1962	Amount included in fiscal year 1963 budget	Where included in fiscal year 1963 submission
NAVIGATION						
Alabama: Columbia lock and dam, Alabama and Georgia.	Separate concrete building providing space for 30 persons.	\$75,000	0	0	\$75,000	Lock and dam construction.
Indiana: Markland locks and dam, Kentucky, Indiana, and Ohio.	Concrete, earth-covered structure for 20 persons.	192,000	0	0	192,000	Buildings, grounds, and utilities.
Ohio: Captain Anthony Meldahl locks and dam, Ohio River.	Space for 20 people in separate structure or basement of utility building.	66,000	0	\$1,500	28,000	Buildings, grounds, and utilities; E. & D. and S. & A.
Pike Island locks and dam, Ohio and West Virginia.	Separate concrete structure above esplanade area for 15 persons.	55,000	0	3,250	51,750	Lock construction and S. & A.
Pennsylvania: Maxwell locks and dam, Pennsylvania.	do.	55,000	0	3,250	51,750	Do.
FLOOD CONTROL						
Kentucky: Nolin Reservoir, Kentucky.	Not definitely determined.	88,500	0	0	88,500	Buildings, grounds, and utilities.
New Hampshire: Hopkinton-Everett Reservoir.	Space in control tower for 12 persons each at Hopkinton and Everett dams.	20,000	0	0	20,000	Dam construction.
North Carolina: Wilkesboro Reservoir, N.C.	Underground facility in conjunction with administration building to provide for 15 persons.	21,000	0	0	21,000	Buildings, grounds, and utilities (contingencies from other items).
Oklahoma: Keystone Reservoir, Okla.	In overflow sections of spillway, protection against nuclear fallout (60 persons).	35,000	0	25,000	10,000	Construction of spillway.
Texas: Navarro Mills Reservoir.	Underground metal arch (24 persons).	77,000	0	2,000	75,000	Completion of embankment and spillway.
Virginia: John W. Flannagan Dam and Reservoir, Va.	Space for 10 people in utility building or dam-tenders' quarters.	39,000	\$1,500	2,000	16,000	Buildings, grounds, and utilities and S. & A.
MULTIPLE PURPOSE						
Alabama: Walter F. George lock and dam, Alabama and Georgia.	2 concrete shelters in powerhouse and 1 concrete decontamination building located adjacent to powerhouse. Would provide for 125 persons. Modification of design of powerhouse structure and facilities to provide protection against residual gamma radiation (136 persons).	75,000	0	10,000	65,000	Powerhouse construction.
Arkansas: Greers Ferry Reservoir.		80,000	0	12,000	68,000	Powerplant.

Fallout protection measures in fiscal year 1963 budget request construction, general projects—Continued

Project	Type of measures and persons protected	Total estimated cost	Amount spent through fiscal year 1961	Amount allocated for fiscal year 1962	Amount included in fiscal year 1963 budget	Where included in fiscal year 1963 submission
MULTIPLE PURPOSE—continued						
Kentucky: Barkley Dam, Tenn. and Ky.....	Space in powerhouse for 50 people.....	\$265,000	\$2,200	\$46,000	\$53,000	Powerhouse construction and S. & A.
Oklahoma: Eufaula Reservoir.....	In powerhouse, protection against nuclear fallout (116 persons).	35,000	0	0	35,000	Construction of powerplant and powerhouse.
Oregon: Cougar Reservoir, Oreg.....	Space in powerhouse for 60 people.....	41,000	0	10,000	21,000	Powerplant construction.
South Carolina: Hartwell Reservoir, Ga. and S.C.....	Shelter area in operating gallery of dam, new decontamination building, and covered access between powerplant and operating gallery. Take care of 300 persons.	75,500	0	25,000	50,500	Powerhouse (contingencies).
FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES						
Louisiana: Old River.....	Standard plan of fallout shelter, A.C. & W. type A (corrugated metal) modified for 15 people; 1 at lock and 1 at control structure.	27,000	0	1,000	26,000	Lock.
Grand total.....		1,322,000	3,700	141,000	947,500	

AREA REDEVELOPMENT ADMINISTRATION ACTIVITIES

The House committee in its report discussed a purported advance of funds by the Area Redevelopment Administration to the Corps of Engineers for the purpose of accomplishing advance planning and design on a water resources project which is pending currently before the Public Works Legislative Committee for authorization as a Corps of Engineers project. The House committee then discussed previous arrangements it had had with the corps and the Bureau which provided that advances of funds for the purpose of moving projects into the planning or construction stages will not be accepted from local interests without the approval of the committee. The House committee then directed that the corps and the Bureau hereafter submit to the committee for prior approval any Area Redevelopment Administration proposals affecting either authorized projects, or any others which may have been the subject of prior investigation or are being currently investigated by either of the two agencies.

The Senate committee discussed this matter with the corps in the light of the House committee report. The corps' representative testified that the Area Redevelopment Administration in accordance with the legislation establishing that agency was merely using the facilities of another Federal agency to meet the objectives of the Area Redevelopment Administration Act on a reimbursable basis; that there was never any understanding between the corps and ARA that the funds transferred to the corps were later to be reimbursed to the Area Redevelopment Administration.

This committee would certainly agree with the position taken by the House with respect to an advance of funds made by local interests or another Federal agency for the purpose of moving projects to be financed under the public works bill into the planning or construction stage without the prior approval of the committee.

With respect to this case where work was performed on a reimbursable basis we are faced with a different situation. There is general authority for one Federal agency to use the facilities of another Federal agency on a reimbursable basis if the agency having the funds and authority determines that the other Federal agency is more qualified to perform the services needed. Under these circumstances the Senate committee would not want to assume operating responsibility to the extent of approving transfers between agencies for work to be performed on a reimbursement basis.

In this particular case it would appear that the first question to be resolved is: Does the ARA have authority to build the Rend Lake project in the event it were not authorized for construction by the Corps of Engineers? If the answer to that question is in the negative, ARA was premature in utilizing ARA funds on this project. If the answer is in the affirmative and funds were available, it became a matter of administrative judgment whether in the event the project was not authorized by Congress the required allocation to this project was reasonable.

OPERATION AND MAINTENANCE, GENERAL

Appropriation, 1962.....	\$147, 297, 000
Budget estimate, 1963.....	143, 539, 000
House allowance.....	143, 539, 000
Committee recommendation.....	143, 539, 000

The details of the committee's recommendations are shown in the following table:

Operation and maintenance, fiscal year 1963

Item (1)	Budget esti- mate for fiscal year 1963 (2)	House allowance (3)	Committee recommen- dation (4)
OPERATION AND MAINTENANCE, GENERAL			
1. Navigation:			
(a) Channels and harbors.....	\$75, 304, 000	\$75, 304, 000	\$75, 304, 000
(b) Locks, dams, and canals.....	27, 707, 000	27, 707, 000	27, 707, 000
2. Flood control:			
(a) Reservoirs.....	8, 945, 000	8, 945, 000	8, 945, 000
(b) Channel improvements, inspections and miscel- laneous maintenance.....	1, 106, 000	1, 106, 000	1, 106, 000
3. Multiple purpose projects including power.....	22, 921, 000	22, 921, 000	22, 921, 000
4. Emergency project maintenance.....			
5. Projection of navigation.....	4, 830, 000	4, 830, 000	4, 830, 000
6. Emergency flood control activities.....	2, 500, 000	2, 500, 000	2, 500, 000
7. Niagara remedial works.....	75, 000	75, 000	75, 000
8. National emergency activities.....	151, 000	151, 000	151, 000
Total, operation and maintenance, general.....	143, 539, 000	143, 539, 000	143, 539, 000

GENERAL EXPENSES

Appropriation, 1962.....	\$13, 148, 000
Budget estimate, 1963.....	13, 600, 000
House allowance.....	13, 580, 000
Committee recommendation.....	13, 580, 000

The committee recommends \$13,580,000, the amount allowed by the House. This is a reduction of \$20,000 below the budget estimate. The House deleted the funds budgeted for personnel to be assigned to the preparation of a magazine for general distribution. The Senate committee is not convinced at this time of the need for such a publication in addition to the regular information releases now being made.

General expenses, fiscal year 1963

Item (1)	Budget estimate for fiscal year 1963 (2)	House allowance (3)	Committee recommendation (4)
GENERAL EXPENSES			
1. Executive direction and management:			
(a) Office, Chief of Engineers.....	\$4,700,000	\$4,680,000	\$4,680,000
(b) Division offices.....	7,115,000	7,115,000	7,115,000
Subtotal, executive direction and management.....	11,815,000	11,795,000	11,795,000
2. Review boards:			
(a) River and Harbor Board.....	533,000	533,000	533,000
(b) Beach Erosion Board.....	160,000	160,000	160,000
Subtotal, review boards.....	693,000	693,000	693,000
3. Commercial statistics.....	920,000	920,000	920,000
4. Special investigations.....	172,000	172,000	172,000
Total, general expense.....	13,600,000	13,580,000	13,580,000

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Appropriation, 1962.....	\$72,950,000
Budget estimate, 1963.....	70,500,000
House allowance.....	70,500,000
Committee recommendation.....	75,954,000

The committee recommends \$75,954,000, an increase of \$5,454,000 over the House and the budget estimate.

Cache River, Ark.—It has come to the attention of this committee that agricultural interests along the lower end of the Cache River and downstream along the White River are apprehensive of additional flooding of agricultural lands now in production because of more rapid runoff from the Cache River. They contend that the White River remains at or near flood stage for long periods and that any additional flow during such periods would spread out over large additional areas of land. The committee directs that funds provided in the bill for planning of the Cache River project shall be used to the extent necessary to study the effect of additional runoff from the authorized Cache River improvement on these agricultural lands to determine whether additional protection for such lands should be provided. The committee expects a report on this problem prior to consideration of appropriations for construction of the Cache River project.

Included in the increase of \$2,500,000 for maintenance is \$2 million to correct serious bank erosion problems which developed subsequent to the submission of the budget along the lower Mississippi River in the vicinity of Fort Jackson and Port Sulphur. Representatives of the corps have testified that bank caving at these locations now threatens the integrity of the main-line levee. They have informed the committee that levee setbacks at these locations are impractical due to industrial and urban-type development, and that corrective action is required this fiscal year.

The details of the committee's recommendation are shown on the following table:

Flood control, Mississippi River and tributaries, fiscal year 1963

Projects (1)	Total estimated Federal cost (2)	Amount appropriated to date (3)	Budget esti- mate for fiscal year 1963		House allowance		Amount recommended by committee	
			Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
1. General investigations:								
(a) Examinations and surveys.....		\$1,905,500		\$42,500		\$42,500	\$62,500	
(b) Collection and study of basic data.....		522,500		82,500		82,500	82,500	
Subtotal, general investigations.....		2,428,000	125,000	125,000	125,000		145,000	
2. Construction and planning:								
Mississippi River levees.....	\$221,000,000	202,428,000	\$2,200,000		\$2,200,000		\$3,000,000	
Channel improvement.....	653,000,000	459,999,000	25,500,000		25,500,000		27,500,000	
Section 6 levees.....	4,000,000	3,745,000						
Memphis Harbor.....	18,200,000	15,436,000	800,000		800,000		800,000	
Greenville Harbor.....	2,750,000	1,220,000	1,530,000		1,530,000		1,530,000	
Vicksburg Harbor.....	4,672,000	4,697,000						
Baton Rouge Harbor.....	3,080,000	703,000						
Old River control.....	68,900,000	56,020,000	4,200,000		4,200,000		4,174,000	
St. Francis Basin.....	88,500,000	45,401,000	3,900,000		3,900,000		3,900,000	\$50,000
Lower White River.....	12,900,000	10,202,000	850,000		850,000		850,000	
Reelfoot Lake.....	560,000	429,000						
Cache Basin.....	25,100,000	5,000		\$100,000		\$100,000		100,000
L'Anguille Basin.....	5,500,000	23,000						
West Tennessee tributaries.....	9,300,000	1,020,000	600,000		600,000		600,000	
Wolf River and tributaries.....	1,670,000	1,006,000	100,000		100,000		100,000	
Grand Prairie-Bayou Meto.....	35,100,000	99,000						
Lower Arkansas.....	25,400,000	20,952,000	500,000		500,000		600,000	
Tensas Basin:								
Boeuf and Tensas Rivers, etc.....	23,600,000	18,978,000	1,740,000		1,740,000		1,740,000	
Red River backwater 1.....	8,100,000	8,065,000	35,000		35,000		35,000	
Yazoo Basin:								
Sardis Reservoir.....	11,960,000	11,832,000	30,000		30,000		30,000	
Enid Reservoir.....	15,360,000	15,140,000	53,000		53,000		53,000	
Arkabutla Reservoir.....	12,820,000	12,030,000	30,000		30,000		30,000	
Grenada Reservoir.....	31,570,000	31,424,000	37,000		37,000		37,000	
Greenwood.....	6,140,000	2,623,000	700,000		700,000		700,000	
Belzoni.....	317,000	317,000						
Yazoo City.....	2,210,000	2,210,000						
Lower auxiliary channels.....	10,930,000	10,930,000						
Upper auxiliary channels.....	14,253,000	28,000						
Main stem.....	21,800,000	9,765,000	2,030,000		2,030,000		2,030,000	
Tributaries.....	28,600,000	6,542,000	660,000		660,000		660,000	

Big Sunflower River, etc.	9,440,000	6,768,000	1,200,000	1,200,000	1,200,000
Yazoo backwater	32,600,000	1,152,000	900,000	900,000	900,000
Lower Red River	8,990,000	8,147,000			
Bayou Cocodrie and tributaries	4,310,000	3,386,000			
Atchafalaya Basin	180,000,000	111,342,000	4,900,000	4,900,000	4,900,000
Lake Pontchartrain	6,510,000	4,834,000	760,000	760,000	760,000
Completed work	129,069,000	129,069,000			
Subtotal, construction and planning	1,767,391,000	1,217,970,000	53,275,000	53,275,000	56,149,000
Reduction for anticipated savings and shippages			—1,500,000	—1,500,000	—1,500,000
Total, construction and planning	1,767,391,000	1,217,970,000	51,775,000	51,775,000	54,649,000
3. Maintenance			18,500,000	18,500,000	21,000,000
4. Flood control emergencies	25,000,000	14,900,300			
Grand total	1,792,391,000	1,235,298,300	70,500,000	70,500,000	75,954,000

1 Completed with amount in approved budget.

U.S. SECTION, ST. LAWRENCE RIVER JOINT BOARD OF ENGINEERS

Appropriation, 1962.....	\$20, 000
Budget estimate, 1963.....	20, 000
House allowance.....	20, 000
Committee recommendation.....	20, 000

All expenditures under this appropriation are reimbursed to the Treasury by the Power Authority of the State of New York.

PANAMA CANAL

CANAL ZONE GOVERNMENT OPERATING EXPENSES

Appropriation, 1962.....	\$20, 800, 000
Budget estimate, 1963.....	22, 772, 000
House allowance.....	22, 772, 000
Committee recommendation.....	22, 772, 000

One of the principal reasons for the increase for fiscal year 1963 is the first increment of a three-step wage increase of area wage rates to bring them more in line with wages based on U.S. rates. Another reason for the increase in operating expenses is the explosion of the school population in the Canal Zone. Other increases in the operating expenses of the Canal Zone Government are due to increases in the hospital and clinic staffing. The increase in the operating requirements of the schools and hospitals is partly due to an increase in the size of the military garrison.

While funds for the Canal Zone Government are appropriated, the Treasury is reimbursed for the net cost of the Canal Zone Government by the Panama Canal Company. School and hospital facilities are furnished the military and their dependents on a reimbursable basis.

CAPITAL OUTLAY

Appropriation, 1962.....	\$2, 300, 000
Budget estimate, 1963.....	3, 120, 000
House allowance.....	3, 120, 000
Committee recommendation.....	3, 120, 000

The increase in the estimate for fiscal year 1963 over fiscal year 1962 is due almost entirely to the need for additional classrooms throughout the school system, including new classrooms and a dormitory for the junior college.

PANAMA CANAL COMPANY

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES

Appropriation, 1962.....	(\$7, 824, 000)
Budget estimate, 1963.....	(8, 113, 000)
House allowance.....	(8, 113, 000)
Committee recommendation.....	(8, 113, 000)

The committee recommends a general and administrative expense limitation in the amount of \$8,113,000, as requested in the budget, and proposed in the House bill.

A portion of the increase in this item is due to additional costs of recruitment, repatriation, and employee home leave travel. The balance is due to the first increment of a pay increase to employees paid at area wage rates.

INCLUSION OF ALL EXPENSES IN OPERATING COSTS

Testimony at the hearings shows that the Panama Canal Company does not now pay the total cost of the annuity to Panama fixed by treaty or charge depreciation or amortization against certain assets representing a substantial investment of the U.S. Government in the Panama Canal. Although this accounting treatment is in accordance with existing provisions of law, it results in distortion of the Company's accounts by overstating net income and it erroneously indicates that the United States realizes a sizable gain from operation of the canal, notwithstanding that capital expenditures exceed cash inflow provided by operations.

The committee has repeatedly suggested that legislation be enacted to provide for reimbursement of the Treasury for the full cost of the annuity and to provide for amortization or depreciation of all assets. The committee is cognizant of the fact that such legislation submitted by the Company in the past has not been favorably acted upon, but the committee again emphasizes the importance of this matter and urges the Panama Canal Company to submit and make every effort to obtain enactment of new legislation to accomplish these purposes in the next session of Congress.

TITLE II—DEPARTMENT OF THE INTERIOR

Budget estimates in the amount of \$406,646,000 were considered by the committee for the activities and programs of the Bureau of Reclamation, the Bonneville Power Administration, the Southeastern Power Administration, and the Southwestern Power Administration. The committee recommends an appropriation of \$399,134,600 for these purposes. This is \$13,310,600 over the House allowance of \$385,824,000; \$80,266,500 more than the fiscal year 1962 appropriation of \$318,868,100; and \$7,511,400 under the budget estimates.

The committee's recommendations with regard to each appropriation request are set forth under individual headings in this report.

BUREAU OF RECLAMATION

GENERAL INVESTIGATIONS

Appropriation, 1962.....	\$6, 643, 000
Budget estimate, 1963.....	8, 400, 000
House allowance.....	7, 100, 000
Committee recommendation.....	9, 420, 000

The committee recommends an appropriation of \$9,420,000 for the general investigations program of the Bureau of Reclamation. This is an increase of \$2,320,000 over the allowance of the House, and \$1,020,000 over the budget estimate.

Alaskan investigations.—The committee agrees with the Bureau's adjustments within the Alaska investigations program made necessary by the agreement between the Secretary of the Interior and Chief of Engineers regarding division of responsibilities in Alaska.

In addition to the matters included in the budget justification, the committee recommends increases for the following:

Central Arizona project, \$500,000.—The committee recommends an increase of \$500,000 in addition to the \$75,000 budgeted in order that detailed feasibility studies of the Central Arizona project may be accelerated. A recent appraisal of the work previously done on this project indicates a benefit-to-cost ratio of 2.5 to 1, and that all reimbursable costs can be repaid within 50 years by beneficiaries of the project. Great population growth and industrial expansion require a much larger amount of water than is presently available, even with the huge quantity of ground water which is pumped annually. The work which has to be done is not dependent upon a Supreme Court decision in the case of *Arizona v. California*, and must be accomplished regardless of the amount of water to which the Court finally determines the States are entitled.

Weather modification research, \$300,000.—The committee recommends an appropriation of \$300,000 to continue the work commenced with the funds provided last year for increasing rainfall by cloud seeding. As was the case last year, it is the recommendation of the committee that this work be accomplished in cooperation with the National Science Foundation and the Weather Bureau. Cessation of the program commenced last year would result only in accumulation of meager data which are highly inconclusive. A minimum period of 4 to 5 years will probably be required in order to arrive at usable conclusions.

Pendleton project, Oregon, \$20,000.—The committee recommends an appropriation of \$20,000 to permit the Bureau to resume investigations of the Pendleton project to determine the feasibility of construction to provide irrigation and municipal and industrial water to an area in Umatilla County, Oreg.

Passamaquoddy tidal power development, \$200,000.—The committee considered the letter request of the Secretary of the Interior that he be authorized use of \$200,000 from the requested appropriation for general investigations to review and evaluate the International Joint Commission report on the Passamaquoddy tidal power development. The committee approves the study, but recommends an additional appropriation of \$200,000, to be derived from the general fund of the Treasury. It is the committee's desire that the amounts programed for the general investigations activity be used as planned when the budget was prepared; and that except as originally programmed, they not be used outside the reclamation area and for purposes not provided in the Reclamation Act.

Maxwell project, Arizona, \$60,000.—The committee recommends that an additional \$60,000 be made available within the "General investigations" appropriation for enlarging the feasibility investigation of the Maxwell project in Arizona, for which \$150,000 is included in 1963 budget estimate. Since initiation of this investigation, it has become apparent that in order fully to utilize the Maxwell Dam site, there will be necessary a change in operating procedures for the existing reservoirs and powerplants, modernization of the existing powerplants, and the possibility of pump-storage developments in the area.

Ouray unit, Central Utah project, \$30,000.—The committee recommends use of \$30,000 of available funds for the purpose of studying the possible development of an irrigation project near Ouray, Uintah County, Utah.

Sonora-Keystone unit, \$50,000.—The committee recommends that the amount indicated as required for the Sonora-Keystone unit, Stanislaus division, Central Valley project, be increased by \$50,000 from available funds. This will permit expansion of the investigation to include upstream areas in the Stanislaus River Basin and Calaveras County.

Delivery of Colorado River water to Mexico, \$285,000.—For the purpose of studying proposals made in an effort to solve the problem of salinity of Colorado River water delivered to Mexico under the treaty of 1944, the committee approves a nonreimbursable expenditure of \$285,000 from available funds.

Recommendation by the committee of these funds does not by any means constitute an admission or belief that the United States is responsible in any degree for the quality of water delivered to Mexico under the treaty. On the contrary, under the treaty of 1944 water delivered to Mexico in the Colorado River is to be "from any and all sources" and is to be "made up of the waters of the said river, whatever their origin"; and therefore the committee insists there is no responsibility or requirement on the part of the United States to assure that water entering Mexico is of any particular quality.

The committee directs that the studies which are to be made with this money shall not encompass a solution requiring that water delivered to Mexico from the United States bypass the Morelos Dam; require that all water delivered to Mexico from the Colorado River be charged against Mexico's allotment as set forth in Article 10 of the treaty; and that they include possible remedial measures in all irrigated areas from which return water flows into the Colorado River below Hoover Dam. The committee further directs that in connection with studies of proposed construction or operation on an irrigation project, there be close coordination and consultation with appropriate and responsible officials of such projects. The Department is to report to the committee not less frequently than once every 60 days the specific proposals investigated, the status of the investigations, their costs, and an estimated completion date of each of the proposals examined.

GENERAL INVESTIGATIONS

(Special foreign currency program)

Appropriation, 1962.....	None
Budget estimate, 1963.....	\$2, 500, 000
House allowance.....	None
Committee recommendation.....	None

The committee does not recommend appropriation of funds for the special foreign currency program for which \$2,500,000 was budgeted. This action conforms with that taken by the House of Representatives.

CONSTRUCTION AND REHABILITATION

	Budget program	New obligational authority
Appropriation, 1962.....	\$166, 750, 000	\$152, 405, 500
Budget estimate, 1963.....	175, 215, 000	161, 700, 000
House allowance.....	171, 592, 000	153, 077, 000
Committee recommendation.....	173, 876, 000	160, 361, 000

The committee recommends an appropriation of \$160,361,000 to finance a construction program of \$173,876,000. The budget estimate and the committee recommendation are based on an "underfinancing" of \$13,515,000, and the allowance of the House of Representatives, \$153,077,000, is based on an "underfinancing" of \$18,515,000.

Undistributed reduction.—The committee has restored the \$5,000,000 reduction made by the House of Representatives for anticipated delays. While there was an obligated balance on June 30, 1962, of more than \$5,500,000, the committee believes that the Bureau should have available sufficient funds to assure that there will be no delay in the construction program and that contract earnings will not be restricted.

The committee's recommended program of construction and rehabilitation is shown in the following table:

Project	Budget estimate	House allowance	Committee recommendation
Advance planning.....	\$1,705,000	\$130,000	\$1,400,000
Gila project, Arizona.....	3,000,000	2,000,000	2,000,000
Colorado River front work and levee system, Arizona-California.....	250,000	250,000	550,000
Central Valley project, California.....	47,401,000	47,401,000	47,401,000
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation, Idaho.....	519,000	519,000	519,000
Wichita project, Cheney division, Kansas.....	7,100,000	7,100,000	7,100,000
Washoe project, Nevada-California.....	198,315	198,315	198,315
Rio Grande project, New Mexico.....			80,000
Norman project, Oklahoma.....	7,500,000	7,500,000	7,500,000
Rogue River Basin, Talent division, Oregon.....	439,000	439,000	439,000
The Dalles project, Western division, Oregon.....	1,025,000	1,025,000	1,025,000
Vale project, Bully Creek extension, Oregon.....	1,765,000	1,765,000	1,765,000
Klamath project, Oregon-California.....	515,000	515,000	515,000
Canadian River project, Texas.....	10,000,000	10,000,000	10,000,000
Lower Rio Grande rehabilitation project, La Feria division, Texas.....	1,500,000	1,500,000	1,500,000
Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	1,940,000	1,940,000	1,940,000
San Angelo project, Texas.....	2,770,000	2,770,000	2,690,000
Weber Basin project, Utah.....	10,538,000	10,538,000	10,538,000
Chief Joseph Dam project, Greater Wenatchee division, Washington.....	2,136,000	2,136,000	2,136,000
Columbia Basin project, Washington.....	4,569,000	4,569,000	4,569,000
Drainage and minor construction.....	3,956,054	3,956,054	3,956,054
Rehabilitation and betterment of existing projects.....	5,346,000	5,346,000	5,346,000
Subtotal.....	114,172,369	111,597,369	113,167,369
Missouri River Basin project:			
Ainsworth unit, Nebraska.....	5,800,000	5,800,000	5,800,000
Almena unit, Kansas.....	4,826,000	4,826,000	4,826,000
Cedar Bluff unit, Kansas.....	906,000	906,000	906,000
East Bench unit, Montana.....	5,620,000	5,620,000	5,620,000
Farwell unit, Nebraska.....	6,800,000	6,800,000	6,800,000
Frenchman-Cambridge division, Nebraska.....	1,714,000	1,714,000	1,714,000
Glen Elder unit, Kansas.....	750,000	750,000	750,000
Oahe unit, James section, South Dakota.....	220,000	220,000	220,000
Transmission division.....	14,449,000	14,229,000	14,379,000
Yellowtail unit, Montana-Wyoming.....	12,150,000	12,150,000	12,150,000
Drainage and minor construction.....	1,795,631	1,795,631	1,820,631
Investigations.....	1,488,000	1,000,000	1,431,000
Advance planning.....	1,284,000	1,284,000	1,284,000
Subtotal, Missouri River Basin project.....	57,802,631	57,094,631	57,700,631
Other Department of the Interior agencies.....	3,240,000	2,900,000	3,008,000
Total, Missouri River Basin project.....	61,042,631	59,994,631	60,708,631
Subtotal, construction and rehabilitation.....	175,215,000	171,592,000	173,876,000
Undistributed reduction based on anticipated delays.....	13,515,000	13,515,000	13,515,000
Total, construction and rehabilitation.....	161,700,000	153,077,000	160,361,000

Advance planning, \$1,400,000.—The committee recommends an increase of \$1,270,000 over the amount allowed by the House of Representatives for advance planning. Of this amount \$1,075,000 is to be applied to the following projects for which funds were requested in House Document 525, proposing supplemental appropriations for fiscal year 1963:

Fryingpan-Arkansas project, Colorado-----	\$600,000
Arbuckle project, Oklahoma-----	350,000
Mann Creek project, Idaho-----	125,000

Legislation authorizing each of these projects became law in August 1962, and each of them will meet water needs of such importance that the committee believes it is highly desirable to get the projects under-way as promptly as possible.

The committee has restored to the bill \$50,000 for advance planning of the Washoe project, initial phase. It is important that definite plan reports on the Watasheamu and Stampede divisions be completed, and that there be a continuation of negotiations with local interests and of miscellaneous studies in connection with the water rights problem.

For advance planning on the Upper Division, Baker project, Oregon, for which authorizing legislation has been approved by the Congress, \$145,000 is recommended.

Gila project.—The committee has acceded to the suggestion of the Commissioner of Reclamation that the budget program for the Gila project be reduced by \$1,000,000 pending a district determination of whether to proceed with a drainage collector system or districtwide drainage with wells.

Colorado River front work and levee system, Arizona-California, \$300,000.—The committee recommends an increase of \$300,000 in construction funds for completion of investigations of the Senator Wash regulating reservoir and for initiation of its construction. This facility will be especially valuable because it will permit closer scheduling, accurate release, and delivery of water with a minimum of waste for both the Gila and All-American Canal systems. It will make possible conservation and utilization of water in other areas of the controlled system of the Colorado River and reduction in overdeliveries to Mexico.

Elephant Butte and Caballo Reservoirs areas, \$80,000.—The committee recommends \$80,000 for collection of data for plans and specifications preparatory to award of contracts for public use facilities at the Elephant Butte and Caballo Reservoirs areas in New Mexico, as authorized by Public Law 87-542, July 25, 1962. The budget program for the San Angelo project has been adjusted so that an overall budget increase is unnecessary.

Missouri River Basin project, transmission division, \$14,379,000.—The committee recommends a net decrease of \$70,000 for the transmission division, Missouri River Basin project. At the request of the Department, \$220,000 has been deleted from the budget estimate, since a contract with Pacific Power & Light Co. makes unnecessary proposed construction of a powerline between Heart Mountain and Lovell, and \$150,000 has been added for construction of a substation to serve the city of Faith, S. Dak.

The committee has included \$500,000 budgeted for construction of an 81-mile, 161-kilovolt transmission line from Creston, Iowa, to

Fairport, Mo. Utility companies in this area have offered to negotiate a wheeling contract with the Bureau of Reclamation for transmitting power and energy between these two points over their existing systems. If a satisfactory wheeling arrangement is negotiated, the building of a Federal line would be unnecessary and therefore contrary to the intent of Congress when it enacted section 5 of the 1944 law. The committee directs the Secretary of the Interior and the Bureau of Reclamation to enter into contract negotiations with these companies and report back to the Senate Appropriations Committee no later than February 15, 1963, on the status and progress of such negotiations.

Drainage and minor construction, Missouri River Basin project, \$25,000.—The committee recommends an increase of \$25,000 in the amount requested for drainage and minor construction, Missouri River Basin project. This increase is to be available for drilling of an 8-inch well for the purpose of maintaining the water level in Lake Andes, S. Dak.

Missouri River Basin project, investigations.—The committee recommends an appropriation of \$1,431,000 for investigations in the Missouri River Basin project. Included in this amount is an allowance of \$20,000 for the purpose of studying irrigation possibilities in Turner and Clay Counties, S. Dak. Of the \$140,000 requested for investigations in the northeast Montana division, \$77,000 has been disallowed. It is the desire of the committee that none of this area be studied for irrigation possibilities if the people of the area do not approve of it. The directive contained in House Report 1926 on the appropriation bill for fiscal year 1955 relating to investigations of the Missouri diversion unit is still applicable.

The committee recommends that \$45,000 of available funds in the Missouri River Basin investigation activity be reprogramed as follows: \$20,000 to reevaluate prior studies of the Cannonball division, Missouri River Basin project, with regard to irrigation development; and \$25,000 for studies of potential dam construction on the Musselshell River in Montana.

Missouri River Basin, transfers to other agencies, \$3,008,000.—The committee recommends an allowance of \$3,008,000 for transfer to other Department of the Interior agencies. This will provide the full amount of the estimates for the Bureau of Sport Fisheries and Wildlife (\$280,000), the Bureau of Land Management (\$249,000), the Bureau of Mines (\$140,000), and the National Park Service (\$475,000). There will be available \$1,690,000 for the Geological Survey and \$174,000 for the Bureau of Indian Affairs.

OPERATION AND MAINTENANCE

Appropriation, 1962.....	\$36, 189, 000
Budget estimate, 1963.....	38, 250, 000
House allowance.....	38, 150, 000
Committee recommendation.....	36, 444, 600

The committee recommends an appropriation of \$36,444,600 for operation and maintenance of Bureau of Reclamation facilities. This sum is \$1,705,400 less than the House allowance. A major portion of this amount is returned to the United States through irrigation and power revenues and sale of water for municipal and industrial purposes.

The committee recommendation reflects a net reduction of

\$1,805,400 in the budget estimate. This results from a reduction of \$1,200,000 which the Department advises is not now needed for power purchases in the Central Valley project and the Missouri River Basin; a reduction of \$1,005,400 requested for dredging in the Cibola Valley area of the Colorado River; and the addition of \$400,000 for acquisition and operation of an additional dredge to be utilized in that reach of the Colorado River below Imperial Dam.

The reduction of \$1,005,400 includes \$5,000 for maintenance of bank and structure protection in the Cibola Valley division; \$321,000 for dredge excavation; \$90,000 for disposal of spoil; \$89,400 for bank and structure protection; \$107,000 for construction of access, service, and levee roads; \$100,000 for acquisition of rights-of-way; \$5,000 for work on minor features of the division; \$65,000 for moving and reassembling the 20-inch dredge; and \$223,000 for establishing the Cibola yard. It is still the committee's view that until the legislatures of the States of Arizona and California both have agreed upon the boundary between the two States, this channelization work should not be accomplished.

LOAN PROGRAM

Appropriation, 1962	\$13,272,600
Budget estimate, 1963	¹ 12,517,000
House allowance	10,173,000
Committee recommendation	12,517,000

¹ Includes \$2,344,000 in S. Doc. 134.

The committee recommends an appropriation of \$12,517,000, the amount of the budget estimate, for loans for the construction of irrigation distribution systems under Public Law 130, 84th Congress, and for the construction, rehabilitation, and betterment of small reclamation projects under Public Law 984, 84th Congress. This is \$2,344,000 more than the allowance of the House, which approved the total amount of the budget estimates before it. The request for this sum was presented to the Senate on September 21, 1962. The committee's recommended program is shown in the following table:

Project	Budget estimate	House allowance	Committee recommendation
Arvin-Edison Water Storage District, California	\$750,000	\$750,000	\$750,000
Banta-Carbona Irrigation District, California	230,000		230,000
Browns Valley Irrigation District, California	562,997	562,997	562,997
Cassia Creek Reservoir Co., Idaho	298,000		298,000
Chowchilla Water District, California	600,000	600,000	600,000
Donna Irrigation District, Texas	506,586	506,586	506,586
Eastern Municipal Water District, California	1,600,000	1,600,000	1,600,000
Feather Water District, California	800,000	800,000	800,000
Georgetown Divide Public Utility District, California	549,700		549,700
Haights Creek Irrigation Co., Utah	121,484	121,484	121,484
Klamath Basin Improvement District, Oregon	843,100	843,100	843,100
Molokai Project, Hawaii	3,223,000	3,223,000	3,223,000
Orchard City Irrigation District, Colorado	266,300		266,300
Roosevelt Irrigation District, Arizona	1,000,000		1,000,000
Solano Irrigation District, California	2,319,750	2,319,750	2,319,750
South San Joaquin Irrigation District, California	587,100	587,100	587,100
South Sutter Water District, California	1,698,882	1,698,882	1,698,882
Weber-Box Elder Conservation District, project No. 2, Utah	806,000	806,000	806,000
Subtotal	16,762,899	14,418,899	16,762,899
Administration	123,981	123,981	123,981
Total fund requirement	16,886,880	14,542,880	16,886,880
Application of prior year funds	4,369,880	4,369,880	4,369,880
Appropriation required for fiscal year 1963	12,517,000	10,173,000	12,517,000

EMERGENCY FUND

Appropriation, 1962.....	\$1, 000, 000
Budget estimate, 1963.....	1, 000, 000
House allowance.....	1, 000, 000
Committee recommendation.....	1, 000, 000

The committee recommends an appropriation of \$1,000,000, the amount of the House allowance and the budget estimate. This sum will permit the Bureau of Reclamation to meet emergencies and to insure continued operation of Bureau projects. Funds expended from this appropriation are reimbursable to the same extent as the facilities on which these funds are used serve reimbursable functions.

UPPER COLORADO RIVER STORAGE PROJECT

Appropriation, 1962.....	\$55, 468, 000
Budget estimate, 1963.....	110, 326, 000
House allowance.....	106, 508, 000
Committee recommendation.....	109, 576, 000

The committee recommends an appropriation of \$109,576,000, which is \$750,000 less than the budget estimate and \$3,068,000 more than the amount allowed by the House of Representatives.

The committee's recommended program is shown in the following table:

Project	Budget estimate	House allowance	Committee recommendation
Upper Colorado River storage project:			
Curecanti unit, Colorado.....	\$10, 653, 000	\$10, 653, 000	\$10, 653, 000
Flaming Gorge unit, Utah-Wyoming.....	13, 622, 000	13, 622, 000	13, 622, 000
Glen Canyon unit, Arizona-Utah.....	44, 924, 000	44, 924, 000	44, 924, 000
Navajo unit, Colorado New Mexico.....	761, 000	761, 000	761, 000
Transmission division.....	32, 600, 000	32, 600, 000	32, 600, 000
Participating projects:			
Advance planning.....	1, 783, 000	1, 233, 000	2, 033, 000
Emery County project, Utah.....	1, 967, 000	1, 967, 000	1, 967, 000
Florida project, Colorado.....	4, 086, 000	4, 086, 000	4, 086, 000
Seedskaadee project, Wyoming.....	10, 411, 000	10, 411, 000	10, 411, 000
Drainage and minor construction.....	502, 000	502, 000	502, 000
Subtotal, Upper Colorado River Basin fund.....	121, 309, 000	120, 759, 000	121, 559, 000
Recreational and fish and wildlife facilities.....	4, 000, 000	3, 232, 000	4, 000, 000
Subtotal, Upper Colorado River storage project.....	125, 309, 000	123, 991, 000	125, 559, 000
Undistributed reduction based on anticipated delays.....	-14, 983, 000	-17, 483, 000	-15, 983, 000
Total, Upper Colorado River storage project.....	110, 326, 000	106, 508, 000	109, 576, 000

Undistributed reduction based on anticipated delays.—The committee has increased the reduction for anticipated delays by \$1,000,000, which is \$1,500,000 less than the amount (\$2,500,000) applied by the House of Representatives. As of June 30, 1962, there was an unobligated balance of more than \$2,800,000 in the Upper Colorado River Basin fund.

Advance planning, \$2,033,000.—The committee recommends the full amount of the budget estimate, \$1,783,000, for advance planning, which includes \$550,000 for the San Juan-Chama project. The need for additional irrigation, industrial and domestic water which this project will provide is so urgent that unnecessary delay in its construction should be avoided.

The committee also recommends an additional appropriation of \$250,000 for the purpose of accelerating advance planning on the Central Utah project. Of this amount \$200,000 is for planning of the Provo River features of the Bonneville unit, and \$50,000 is to be used for studies in the Sevier River Basin.

Recreation facilities.—The committee recommends the full amount of the budget estimate, \$4,000,000, for recreation facilities on the Colorado River storage project. Particularly, the committee approves construction of the visitor center at the Wahweap site on Lake Powell behind Glen Canyon. Visitors to this area now are many, and as facilities increase with the progress of construction of the Glen Canyon Dam, additional visitors will come to the area for many purposes.

Seedskadee participating project, Wyoming.—The committee directs that not more than \$95,000 of the amount for the Seedskadee participating project, Wyoming, be utilized for placing an asphalt surface on the Lincoln County, Wyo., road between U.S. Highway 189 and the Bureau of Reclamation community of Fontenelle. It is the desire of the committee that before this sum is obligated, the State of Wyoming agree to assume financial responsibility for maintaining the road.

Rainbow Bridge National Monument.—Last year funds were provided for transfer to the National Park Service for the construction of specific visitor facilities to provide access to Rainbow Bridge National Monument. It is the desire of the committee that the work contemplated be accomplished as rapidly as possible so that the facilities will be available when the level of Lake Powell will permit their use.

GENERAL ADMINISTRATIVE EXPENSES

Appropriation, 1962-----	\$9, 430, 000
Budget estimate, 1963-----	9, 300, 000
House allowance-----	9, 300, 000
Committee recommendation-----	9, 300, 000

The committee recommends an appropriation of \$9,300,000, the amount of the House allowance and the budget estimate, for general administrative expenses of the Bureau of Reclamation.

ADMINISTRATIVE PROVISIONS

The committee recommends the inclusion of a provision in the bill to increase the annual compensation of the Commissioner of the Bureau of Reclamation from \$19,000 to \$20,000.

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION

Appropriation, 1962-----	\$20, 875, 000
Budget estimate, 1963-----	31, 900, 000
House allowance-----	29, 800, 000
Committee recommendation-----	29, 800, 000

The committee concurs with the House allowance of \$29,800,000 for the construction program of the Bonneville Power Administration. This is \$2,100,000 less than the budget estimate.

In connection with the proposed Pacific Northwest-Pacific Southwest extra-high voltage interconnection, the committee agrees with the House committee that there be only preliminary engineering, reconnaissance surveys, economic analysis, and negotiation with public and private utilities.

The committee has noted the plea of the Pierce County (Wash.) Cooperative Power Association for Bonneville Power Administration service at preference customer rates. There is no objection to continued service to members of this cooperative through the city of Tacoma, if the total cost to the preference customers is no greater than it would be if power were available to them through direct contracts with the Administration. Should this not be the case, the Bonneville Power Administration should give renewed consideration to entering into contracts with the association members, as was intended before the Administration withdrew "Pierce County service (item 224)" in which \$410,000 was requested to initiate construction to serve these agencies. If necessary, available funds can be reprogrammed to perform the required construction.

OPERATION AND MAINTENANCE

Appropriation, 1962.....	\$12, 205, 000
Budget estimate, 1963.....	12, 750, 000
House allowance.....	12, 713, 000
Committee recommendation.....	12, 713, 000

The committee recommends an appropriation of \$12,713,000, which is \$37,000 less than the budget estimate and the same as the House allowance, to meet operation and maintenance expenses of the Bonneville Power Administration. The reduction below the budget estimate was suggested by the Department in view of savings in rental costs resulting from purchase of automatic data processing equipment.

SOUTHEASTERN POWER ADMINISTRATION

OPERATION AND MAINTENANCE

Appropriation, 1962.....	\$800, 000
Budget estimate, 1963.....	800, 000
House allowance.....	800, 000
Committee recommendation.....	800, 000

The committee recommends an appropriation of \$800,000, the amount of the House allowance and of the budget estimate. This is the same amount as the appropriation in fiscal year 1962 and is used for marketing power and energy generated at Corps of Engineers hydroelectric plants in the southeastern area of the United States.

SOUTHWESTERN POWER ADMINISTRATION

CONSTRUCTION

Appropriation, 1962.....	\$950, 000
Budget estimate, 1963.....	7, 210, 000
House allowance.....	7, 210, 000
Committee recommendation.....	7, 210, 000

The committee recommends an appropriation of \$7,210,000 for construction activities of the Southwestern Power Administration. This is the amount of the budget estimate and is the same as the House allowance.

OPERATION AND MAINTENANCE

Appropriation, 1962.....	\$1, 310, 000
Budget estimate, 1963.....	1, 450, 000
House allowance.....	1, 450, 000
Committee recommendation.....	1, 450, 000

The committee recommends the budget estimate of \$1,450,000 for operation and maintenance, Southwestern Power Administration. This is the same as the House allowance.

CONTINUING FUND

(Indefinite appropriation of receipts)

Appropriation, 1962.....	\$5, 000, 000
Budget estimate, 1963.....	5, 000, 000
House allowance.....	5, 000, 000
Committee recommendation.....	5, 000, 000

The committee recommends an appropriation of \$5,000,000, the same as the budget estimate and the House allowance, for the purchase of power and rental of transmission facilities. These funds are derived from receipts from sale of power and energy.

TITLE III—INDEPENDENT OFFICES

ATOMIC ENERGY COMMISSION

GENERAL STATEMENT

The amount of increase recommended by the committee of \$30,-467,000 consists of restorations for operating expenses of \$17,917,000 and for plant acquisition and construction of \$4,750,000, and in addition the insertion of funds for authorized but as yet unbudgeted projects amounting to \$6,500,000 under operating expenses and \$1,300,000 under plant acquisition and construction. Appropriations for the two items total \$3,153,286,000, which is \$67,647,000 under the revised estimates for the two items of \$3,220,933,000.

Recommendations for the activities of the Commission are detailed in the following paragraphs:

OPERATING EXPENSES

Appropriation, 1962.....	\$2, 352, 001, 000
Estimate, 1963 (including amendments in H. Docs. 409 and 467).....	2, 888, 588, 000
House allowance.....	2, 860, 974, 000
Committee recommendation.....	2, 885, 391, 000

NOTE.—In addition, applied revenues of \$26,700,000 are available.

Restorations of \$17,917,000 and increases of \$6,500,000 for authorized but unbudgeted projects are recommended by the committee, for a total increase of \$24,417,000 over the House allowance, as explained in detail and summarized in the following table:

Operating expenses

Program	Budget estimate, 1963	House allowance	Senate committee recommendation	Change proposed
Raw materials.....	\$500,585,000	\$497,000,000	\$497,000,000	0
Special nuclear materials.....	537,300,000	534,000,000	534,000,000	0
Weapons program.....	797,010,000	797,010,000	797,010,000	0
Reactor development program.....	503,745,000	495,628,000	507,545,000	+\$11,917,000
Physical research program.....	216,000,000	206,000,000	216,000,000	+10,000,000
Biology and medicine.....	71,353,000	71,353,000	71,553,000	+200,000
Training, education and information.....	15,165,000	14,815,000	14,815,000	0
Isotopes development.....	7,462,000	7,100,000	7,900,000	+800,000
Civilian application of nuclear explosives.....	10,050,000	9,650,000	9,650,000	0
Community program.....	9,114,000	9,114,000	9,114,000	0
Program direction and administration.....	64,111,000	62,611,000	64,111,000	+1,500,000
Security investigations.....	6,019,000	6,019,000	6,019,000	0
Other costs.....	4,100,000	4,100,000	4,100,000	0
Selected resources.....	173,274,000	173,274,000	173,274,000	0
Revenues received from non-Federal sources.....	-26,700,000	-26,700,000	-26,700,000	0
Total.....	2,888,588,000	2,860,974,000	2,885,391,000	+24,417,000

Reactor development program.—The committee recommends an appropriation of \$507,545,000 for this program, which is \$11,917,000 over the House allowance and \$3,800,000 above the budget estimate.

The committee recommendation restores \$3 million to the cooperative power reactor demonstration program and \$3,417,000 to the advanced space power system portion of the satellite and small power sources program.

In addition, the committee recommends adding \$5,500,000 to the cooperative power reactor demonstration program, to permit the program to go forward as rapidly as possible. The 1963 authorization act provides for additional incentives for Government assistance to private and public utilities for the construction by them of nuclear powerplants, in the form of financial assistance toward the design of such plants, which is in addition to the research and development assistance and the waiver of fuel charges previously authorized. An invitation has recently been issued by the Commission, calling for proposals from the utilities for the construction of reactor plants of 400 megawatts and above under this revised assistance criteria. The committee is advised that the assistance which may be requested for such plants may cost about \$7 million per proposal, and that the indications are that at least two such proposals may be submitted by the due date of February 1963. The additional amount recommended by the committee will assure that funds are available to cover the acceptance of at least two proposals for construction of these large-size nuclear powerplants. The Joint Committee on Atomic Energy, in a letter to the committee, strongly recommends this action.

As to the restoration of \$3,417,000 recommended for the advanced space power system portion of the satellite and small power sources program, the committee is advised that in order for the Commission to meet its schedule for the development of the SNAP 50 program for use in communications satellites and the requirements of both the Air Force and NASA for advanced power sources, the full amount estimated will be required in 1963. The committee concurs with the House that agreement should be reached as quickly as possible between the Air Force, NASA, and the Commission as to the division of responsibility for developing conversion equipment associated with

the nuclear power units, but the committee believes it is important to provide the funds which will assure the progress of the program, including the conversion equipment.

Physical research program.—Restoration of \$10 million is recommended by the committee, to provide the full budget estimate of \$216 million. The committee believes it is important to provide for all elements of the basic research of the entire atomic energy program, without placing undue emphasis on high-energy physics.

Biology and medicine program.—The committee recommends an addition over the estimate of \$200,000 for use in connection with the authorized food irradiation program. The total amount provided for the biology and medicine program is \$71,553,000.

Isotopes development program.—The committee recommends an increase over the estimate of \$800,000, in addition to the House allowance of \$516,000, for the food irradiation program. The total amount provided for the isotopes development program is \$7,900,000, which is \$438,000 over the estimate.

The Joint Committee on Atomic Energy, in a letter to the committee, recommended going forward with this authorized program for the use of radioisotopes in the irradiation of food, and thereby extending the life of such perishables as fish, fruit, and vegetables for periods of weeks.

These increases in operating funds for the food irradiation program are recommended in conjunction with providing funds for the two authorized construction projects under the plant item.

Program direction and administration.—Restoration of \$1,500,000 is recommended by the committee, to provide the full budget estimate of \$64,111,000. The committee believes it is in the interest of economy to provide adequate technical personnel to supervise and direct the many complex programs, including nuclear rocket development and space nuclear systems.

PLANT ACQUISITION AND CONSTRUCTION

Appropriation, 1962-----	\$195, 360, 000
Estimate, 1963 (including amendment H. Doc. 409)-----	332, 345, 000
House allowance-----	261, 845, 000
Committee recommendation-----	267, 895, 000

NOTE.—In addition, an unobligated balance of \$27,500,000 is available.

The committee recommends restorations of \$4,750,000 and the funding of two authorized but as yet unbudgeted projects for \$1,300,000, for a total increase over the House allowance of \$6,050,000, which is \$64,450,000 below the budget estimate. The increases are explained in detail and are summarized in the following table:

Plant acquisition and construction

Program	Budget estimate 1963	House allowance	Senate committee rec- ommendation	Change proposed
Special nuclear materials-----	\$85, 605, 000	\$81, 605, 000	\$81, 605, 000	0
Weapons program-----	56, 585, 000	51, 085, 000	55, 585, 000	+\$4, 500, 000
Reactor development program-----	77, 950, 000	77, 450, 000	77, 700, 000	+250, 000
Physical research program-----	132, 200, 000	71, 700, 000	71, 700, 000	0
Isotopes development program-----	0	0	1, 300, 000	+1, 300, 000
Other items-----	7, 505, 000	7, 505, 000	7, 505, 000	0
Less unobligated balance brought forward-----	-27, 500, 000	-27, 500, 000	-27, 500, 000	0
Total-----	332, 345, 000	261, 845, 000	267, 895, 000	+6, 050, 000

Weapons program.—Restoration of \$4,500,000 is recommended by the committee to provide \$9 million for the transfer to the Bureau of Public Roads for the conversion to a four-lane highway of the present two-lane highway from Las Vegas, Nev., to the Nevada test site of the Commission, a distance of some 60 miles. The committee understands that the \$1 million remaining of the estimate for the road is to be provided by the State of Nevada. The committee agrees with the House that the National Aeronautics and Space Administration should provide its fair share of all joint AEC-NASA programs, but the committee believes, in the interest of assuring prompt completion of this badly needed road, the full amount recommended should be provided. The total amount provided for the weapons program is \$55,585,000, which is \$1 million below the budget estimate.

Reactor development program.—Restoration of \$250,000 is recommended by the committee, to provide \$1,250,000 for the construction of a cafeteria at Argonne National Laboratory. The committee is advised that the completion of the design work has indicated that the amount provided will complete the project. The total amount provided for the reactor development program is \$77,700,000, which is \$250,000 below the budget estimate.

Physical research program.—The committee considered a proposal for providing full funding for the Stanford linear accelerator of \$95 million. The committee is advised that the amount provided by the House, \$35 million, is sufficient for obligations anticipated in fiscal year 1963, and therefore agrees that full funding of this project is not required at this time.

Isotopes development program.—Included in the 1963 authorization act, and recommended by both the House and the Senate, are two construction projects, 63-j-2, marine products development irradiator, \$600,000, and 63-j-3, two mobile irradiators, \$700,000. The committee recommends inserting funds for these authorized but unbudgeted projects, in the amount of \$1,300,000, to conform to the operating funds provided under this program as well as the biology and medicine program.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Limitation, 1962.....	\$425, 000
Budget estimate, 1963.....	425, 000
House allowance.....	425, 000
Committee recommendation.....	414, 000

An administrative expense limitation of \$414,000 is recommended. This is \$11,000 below the amount of the House allowance and the budget estimate. The decrease represents the cost of one additional position for traffic promotion activities added in fiscal year 1962. The budget recommended \$75,000 for this activity in fiscal year 1963. The committee feels that this type of work should be carried on primarily by the individual ports, rather than by a Government corporation. The bill as reported provides \$64,000 for this activity, which should be more than ample for this purpose.

AUDIT REPORT

The committee, after consideration of the audit report of 1960 by the Comptroller General concerning the activities of the Corporation, believes that—

(1) While the enabling act (68 Stat. 92, et seq.) mentions in section 12 that consideration be given to depreciation and amortization, the obligation of the Corporation is to repay the entire investment in the seaway facilities within the 50-year statutory payout period and no more. The Corporation's financial plan as incorporated in the toll committee report of 1958, and approved by the Governments of the United States and Canada, provides that operation and maintenance (including replacements), interest, and amortization of the debts are scheduled within the 50 years and the toll rates were set accordingly. The committee further believes that in 1964, as provided in the international agreement between the United States and Canada, a realistic review should be made of the financial status and repayment capacity of the Corporation.

(2) The accounts and reports of the Corporation should be factual and designed to show the financial and repayment status as compared to the approved financial plan, and that, if any revenues are received in greater amounts than anticipated, they be applied toward an earlier reduction of the debts of the Corporation. While it would be reasonable to amortize a bonded indebtedness for capital improvements over a reasonable period of time, as an expense of operation, or to depreciate an investment in capital equipment over its anticipated useful life, no business enterprise could claim both amortization and depreciation as an expense, nor are Government corporations required to include both amortization and depreciation in their accounts.

(3) No especial emphasis should be made to show in the reports the commercial-type profit and loss from operations, inasmuch as the principal statutory obligation of the Corporation is to repay the investment (including interest) within the statutory payout period, as well as to operate and maintain the facilities.

TENNESSEE VALLEY AUTHORITY

Appropriation, 1962.....	\$38, 203, 000
Estimate, 1963.....	35, 071, 000
House allowance.....	35, 071, 000
Committee recommendation.....	35, 071, 000

The committee agrees with the House allowance of the full budget estimate of \$35,071,000 for the appropriation financed funds for the Tennessee Valley Authority.

As to the tributary area development program in the Beech River area, for which \$2,500,000 has been allowed as requested, the committee agrees in general that full cooperation is to be expected between the Soil Conservation Service and the Tennessee Valley Authority wherever their interests and abilities coincide in execution of the tributary area development projects.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

Appropriation, 1962.....	None
Budget estimate, 1963.....	\$32, 000
House allowance.....	32, 000
Committee recommendation.....	32, 000

Funds appropriated under this head are for salaries and expenses of the U.S. member of the Commission and his staff. The Commission was created by compact among the States of Delaware, New Jersey, and New York, and the Commonwealth of Pennsylvania and the Federal Government to participate jointly in the conservation, utilization, development, and control of water and related land resources in the Delaware River Basin.

CONTRIBUTION TO DELAWARE RIVER BASIN COMMISSION

Appropriation, 1962.....	\$20, 000
Budget estimate, 1963.....	80, 000
House allowance.....	80, 000
Committee recommendation.....	80, 000

The committee recommends \$80,000, the budget estimate and the amount allowed by the House. These funds are required to cover the U.S. share of the operating expenses of the Delaware River Basin Commission. The operating budget approved by the commission for fiscal year 1963 is \$333,000, of which the Federal share is 24 percent, or \$80,000.

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

Appropriation, 1962.....	\$1, 380, 000
Budget estimate, 1963.....	552, 000
House allowance.....	552, 000
Committee recommendation.....	552, 000

With the appropriation of \$552,000 recommended, the work of this Commission should be completed in fiscal year 1962.

U.S. STUDY COMMISSION—TEXAS

Language is provided to continue to August 31, 1962, funds previously appropriated. This will permit the Commission to submit its final report and terminate its affairs in an orderly manner. No additional funds are required.

TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT

ACCELERATED PUBLIC WORKS PROGRAM

Appropriation, 1962.....	None.
Budget estimate.....	\$900,000,000.
House allowance.....	Not considered.
Committee recommendation.....	\$500,000,000.

The President signed the authorization bill on September 14, 1962, after the House passed the public works appropriation bill for fiscal year 1963 and while it was pending in the Senate committee. The chairmen of the House committee and the Senate committee agreed this estimate should be considered in connection with this bill.

In recommending an appropriation of \$500 million the committee notes that this is a new program for which firm estimates are not available. The witnesses testifying before the committee presented lists of public works projects which they considered eligible for allocations under this program. They pointed out, however, that many States and communities are not yet even aware of this legislation, much less have they been able to prepare project requests that might qualify under this act. Accordingly, the witnesses cautioned that it should be clearly understood that these lists do not represent an approved program nor could they give the committee any assurance that any individual project would be approved. The committee felt, therefore, that it would be desirable to provide a partial appropriation which would permit this program to get underway at the maximum possible rate for the next 4 months, with the understanding that the administration can submit a supplemental estimate in January, at which time they should be in a position to support a definite program, with specific recommendations for projects to be undertaken and justifications therefor.

The authorizing legislation contains restrictions on the amounts of money that can be received by areas. Specifically, the act provides that at least \$300 million of the \$900 million authorized must be allocated for projects in areas designated under section 5(b) of the Area Redevelopment Act. In keeping with the provisions of the authorizing legislation, the committee desires that the funds appropriated in this act be prorated in accordance with the restrictions in the authorizing legislation.

COST SHARING BY LOCAL INTERESTS

Since the purpose of the Public Works Acceleration Act is to provide additional employment in depressed areas, the committee believes that the projects to be approved by the various administrators under the favored terms of the new authorization should be those projects for which the local communities or other political subdivisions are unable to meet the cost-sharing requirements under the agencies' regular programs. An example of the type of program the committee has in mind would be the public facilities loan program.

Prior to the enactment of the Public Works Acceleration Act, the Housing and Home Finance Agency administered a public facilities loan program. The Acting Administrator of the Housing and Home Finance Agency testified that they are currently processing applications under this program. It is the desire of the committee that wherever a community is capable of financing its community facilities under the regular loan program, the Administrator continue to grant such assistance under the provisions of that law, rather than under the provisions of the Public Works Acceleration Act which permits both grants and loans. In acting on loan applications, the provisions of the Public Works Acceleration Act should be utilized only in those cases where the community is unable to meet its share of the obligation under the prior act.

ADMINISTRATIVE EXPENSE

The Public Works Acceleration Act authorizes a one-time program of limited duration. In view of this fact, the committee is strongly of the opinion that administrative costs of carrying out the program should be absorbed to the maximum extent feasible. It is not either economical or practical to build up large new staffs to carry out a temporary function.

The committee notes that a large number of agencies will participate in the program, and in most instances their activity will represent a relatively modest increase in regular programs for which administrative funds have been or will be provided in the regular appropriations for such agencies. In a few cases, it is clear that additional administrative funds will be required. For example, in the case of the Housing and Home Finance Agency, it appears that the public facilities program will be several times larger than was contemplated in the budget originally considered by the Congress. Obviously, in this and perhaps some other cases additional administrative funds will have to be provided.

In view of the fact that the committee was unable to secure from the witnesses a specific program by agencies, it does not feel that it is feasible to establish specific amounts for administrative costs. However, the committee will expect the Bureau of the Budget to review all requests for allocations of administrative funds closely, and to assure that in no case are they in excess of amounts required for additional workload generated by the public works acceleration program, or disproportionately high as compared to the regular administrative costs of the programs increased or accelerated. In no case are these funds to be used merely to circumvent administrative expense limitations established in the various appropriation acts for these agencies.

COMPARATIVE STATEMENT OF THE APPROPRIATIONS FOR 1962 AND THE ESTIMATES FOR 1963
PERMANENT INDEFINITE APPROPRIATIONS

	Appropriation estimate, 1962	Appropriation estimate, 1963	Increase (+) or decrease (-)
Department of the Army civil functions:			
Payments to States, Flood Control Act of 1954, Army.....	\$1,717,000	\$1,805,000	+\$88,000
Corps of Engineers—Civil special expense funds.....	183,000	195,000	+12,000
Total, Department of Army civil functions.....	1,900,000	2,000,000	+100,000
Bureau of Reclamation:			
Colorado River Dam fund, Boulder Canyon project:			
Payment of interest on advances from the Treasury.....	3,271,000	3,200,000	-71,000
Payments to States of Arizona and Nevada.....	600,000	600,000	-----
Construction of operation and maintenance headquarters and facilities, irrigation projects.....	107,000	-----	-107,000
Operation, maintenance, and replacement of project works, North Platte project (Gering and Fort Laramie, Goshen and Pathfinder Irrigation Districts).....	3,500	3,500	-----
Payment to Farmer's Irrigation District (North Platte project, Nebraska-Wyoming).....	8,000	8,000	-----
Refunds and returns.....	67,000	100,000	+33,000
Total, Bureau of Reclamation.....	4,056,500	3,911,500	-145,000
Total, permanent indefinite appropriations.....	5,956,500	5,911,500	-45,000

**COMPARATIVE STATEMENT OF APPROPRIATIONS FOR 1962 AND THE ESTIMATES AND AMOUNTS
RECOMMENDED IN THE BILL FOR 1963
REGULAR ANNUAL APPROPRIATIONS**

Item	Appropriations, 1962	Budget esti- mate, 1963 (as amended)	Recommended in House bill, 1963	Amount re- commended by Senate committee	Increase (+) or decrease (—) Senate bill com- pared with—		
					Appropriations, 1962	Budget esti- mate, 1963 (as amended)	House bill
TITLE I—DEPARTMENT OF DEFENSE—CIVIL							
DEPARTMENT OF THE ARMY							
CEMETERIAL EXPENSES							
Salaries and expenses-----	\$10,440,000	\$10,276,000	\$10,276,000	\$10,276,000	—\$164,000		
CORPS OF ENGINEERS—CIVIL							
General investigation-----	15,877,000	117,265,000	16,561,900	19,192,300	+3,315,300	+ \$1,927,300	+ \$2,630,400
Construction, general-----	724,021,880	2 780,645,000	762,361,000	807,962,500	+83,940,620	+27,317,500	+45,601,500
Operation and maintenance, general-----	147,297,000	143,539,000	143,539,000	143,539,000	—3,758,000		
General expenses-----	13,148,000	13,600,000	13,580,000	13,580,000	+432,000	—20,000	
Flood control, Mississippi River and tributaries-----	72,350,000	70,500,000	70,500,000	75,954,000	+3,004,000	+5,454,000	+5,454,000
U.S. Section, St. Lawrence River Joint Board of Engineers-----	20,000	20,000	20,000	20,000			
International navigation congresses-----	30,000				—30,000		
Total, rivers and harbors and flood control-----	973,343,880	1,025,569,000	1,006,561,900	1,060,247,800	+86,903,920	+34,678,800	+53,685,900
THE PANAMA CANAL							
Canal Zone Government:							
Operating expenses-----	20,800,000	4 22,772,000	22,772,000	22,772,000	+1,972,000		
Capital outlay-----	2,300,000	3,120,000	3,120,000	3,120,000	+820,000		

Panama Canal Company: <i>Limitation on general administrative expenses</i> ²						
Total, the Panama Canal.....	23,100,000	(7,824,000)	(8,113,000)	(8,113,000)	(+289,000)	-----
Total, title I.....	1,006,883,880	1,061,737,000	1,042,729,900	1,096,415,800	+89,531,920	+53,685,900
TITLE II—DEPARTMENT OF THE INTERIOR						
BUREAU OF RECLAMATION						
General investigations.....	6,043,000	8,400,000	7,100,000	9,420,000	+2,777,000	+1,020,000
General investigations (special foreign currency program).....	-----	2,500,000	-----	-----	-----	-2,500,000
Construction and rehabilitation.....	152,405,500	161,700,000	153,077,000	160,361,000	+7,955,500	-1,339,000
Operation and maintenance.....	36,189,000	38,250,000	38,150,000	36,444,600	+255,600	-1,805,400
<i>Indefinite appropriation of receipts</i> ³	(3,320,000)	(3,543,000)	(3,543,000)	(3,543,000)	(+223,000)	-----
Loan program.....	13,272,600	12,517,000	10,173,000	12,517,000	-755,600	+2,344,000
Emergency fund.....	1,000,000	1,000,000	1,000,000	1,000,000	-----	-----
Upper Colorado River storage project.....	55,468,000	110,326,000	106,508,000	109,576,000	+54,108,000	+3,068,000
General administrative expenses.....	9,430,000	9,300,000	9,300,000	9,300,000	-130,000	-----
Total, Bureau of Reclamation.....	274,408,100	343,993,000	325,308,000	338,618,600	+64,210,500	+13,310,600
BONNEVILLE POWER ADMINISTRATION						
Construction.....	20,875,000	31,900,000	29,800,000	29,800,000	+8,925,000	-2,100,000
Operation and maintenance.....	12,205,000	12,750,000	12,713,000	12,713,000	+508,000	-37,000
Total, Bonneville Power Administration.....	33,080,000	44,650,000	42,513,000	42,513,000	+9,433,000	-2,137,000
SOUTHEASTERN POWER ADMINISTRATION						
Operation and maintenance.....	800,000	800,000	800,000	800,000	-----	-----

See footnotes at end of table, p. 55.

Comparative statement of appropriations for 1962 and the estimates and amounts recommended in the bill for 1963—Con.

Item	Appropriations, 1962	Budget esti- mate, 1963 (as amended)	Recommended in House bill, 1963	Amount rec- ommended by Senate committee	Increase (+) or decrease (—) Senate bill com- pared with—		
					Appropriations, 1962	Budget esti- mate, 1963 (as amended)	House bill
TITLE II—DEPARTMENT OF THE INTERIOR—Con.							
SOUTHWESTERN POWER ADMINISTRATION							
Construction.....	\$950,000	\$7,210,000	\$7,210,000	\$7,210,000	\$+6,260,000		
Operation and maintenance.....	1,310,000	1,450,000	1,450,000	1,450,000	+140,000		
Continuing fund (<i>indefinite appropriation of receipts</i>) ¹	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)			
Total, Southwestern Power Administration.....	2,260,000	8,660,000	8,660,000	8,660,000	+6,400,000		
Total, definite appropriations.....	310,548,100	398,103,000	377,281,000	390,591,600	+80,043,500	—\$7,511,400	+\$13,310,600
Total, indefinite appropriations.....	8,320,000	8,543,000	8,543,000	8,543,000	+223,000		
Total, title II.....	318,868,100	406,646,000	385,824,000	399,134,600	+80,266,500	—7,511,400	+13,310,600
TITLE III—INDEPENDENT OFFICES							
ATOMIC ENERGY COMMISSION							
Operating expenses.....	2,352,001,000	10 2,888,588,000	2,860,974,000	2,885,391,000	+533,390,000	—3,197,000	+24,417,000
<i>Indefinite appropriation of receipts</i> ²	(27,700,000)	(26,700,000)	(26,700,000)	(26,700,000)	(—1,000,000)		
Plant acquisition and construction.....	195,360,000	11 332,345,000	261,845,000	267,895,000	+72,535,000	—64,450,000	+6,050,000
Total, Atomic Energy Commission.....	2,547,361,000	3,220,933,000	3,122,819,000	3,153,286,000	+605,925,000	—67,647,000	+30,467,000
St. Lawrence Seaway Development Corporation:							
<i>Limitation on administrative expenses</i>	(125,000)	(125,000)	(125,000)	(114,000)	(—11,000)	(—11,000)	(—11,000)
Tennessee Valley Authority.....	38,203,000	35,071,000	35,071,000	35,071,000	—3,132,000		

Delaware River Basin Commission:									
Salaries and expenses.....			32,000	32,000			+32,000		
Contribution to the Delaware River Basin Commission.....	12 20,000	13 80,000		80,000			+80,000		
Total, Delaware River Basin Commission.....	20,000	112,000		112,000			+92,000		
U.S. Study Commission, Southeast River Basins.....	1,380,000	552,000		552,000			-828,000		
River Basin Study Commission for Texas.....	540,000	(14)		(13)			-540,000		
Total, definite appropriations.....	2,587,504,000	3,256,668,000		3,158,554,000			+601,517,000		+30,467,000
Total, indefinite appropriations.....	27,700,000	26,700,000		26,700,000			-1,000,000		
Total, title III.....	2,615,204,000	3,283,368,000		3,185,254,000			+600,517,000		+30,467,000
TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT									
Public works acceleration.....		15 900,000,000							
Total, title IV.....		15 900,000,000							
Grand totals:									
Total, definite appropriations.....	3,904,935,980	5,616,508,000		4,578,564,900			+1,271,092,420		+597,463,500
Total, indefinite appropriations.....	36,020,000	35,243,000		35,243,000			-777,000		
Grand total, all titles.....	3,940,955,980	5,651,751,000		4,613,807,900			+1,270,315,420		+597,463,500

¹ Includes increase of \$665,000 in H. Doc. 379.
² Reflects decrease of \$930,000 in H. Doc. 379, and an increase of \$2,869,000 in H. Doc. 477 and an increase of \$3,000,000 in S. Doc. 135.
³ Includes \$5,000,000 in the Supplemental Appropriation Act, 1962, and \$3,900,000 in the 2d Supplemental Appropriation Act, 1962.
⁴ Includes increase of \$198,000 in H. Doc. 486.
⁵ Not included in subtotals within titles.
⁶ Includes increases of \$750,000 in H. Doc. 422 and \$1,075,000 in H. Doc. 525.
⁷ Includes budget amendment increases as follows: H. Doc. 388, \$600,000; H. Doc. 422, \$4,023,000; H. Doc. 431, \$750,000, and S. Doc. 134, \$2,344,000.
⁸ Reflects decrease of \$6,884,000 in H. Doc. 422 and an increase of \$550,000 in H. Doc. 477.
⁹ Reflects decrease of \$3,000,000 in H. Doc. 388.
¹⁰ Reflects increase of \$164,500,000 in H. Doc. 409 and increase of \$23,300,000 in H. Doc. 467.
¹¹ Reflects increase of \$46,300,000 in H. Doc. 409.
¹² Appropriated in 2d Supplemental Appropriation Act, 1962.
¹³ Submitted in H. Doc. 393.
¹⁴ H. Doc. 393 and bill provide continuing availability of 1962 appropriation until Aug. 31, 1962.
¹⁵ In S. Doc. 129.

Calendar No. 2141

87TH CONGRESS
2D SESSION

H. R. 12900

[Report No. 2178]

IN THE SENATE OF THE UNITED STATES

AUGUST 17 (legislative day, AUGUST 14), 1962

Read twice and referred to the Committee on Appropriations

SEPTEMBER 28, 1962

Reported by Mr. ELLENDER, with amendments

[Omit the part struck through and insert the part printed in italic]

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1963, for certain civil functions admin-
6 istrated by the Department of Defense, certain agencies of
7 the Department of the Interior, the Atomic Energy Com-

1 mission, the Saint Lawrence Seaway Development Corpora-
2 tion, the Tennessee Valley Authority and certain river basin
3 commissions, and for other purposes, namely:

4 TITLE I—DEPARTMENT OF DEFENSE—CIVIL

5 DEPARTMENT OF THE ARMY

6 CEMETERIAL EXPENSES

7 SALARIES AND EXPENSES

8 For necessary cemeterial expenses as authorized by law,
9 including maintenance, operation, and improvement of na-
10 tional cemeteries, and purchase of headstones and markers
11 for unmarked graves; purchase of one passenger motor ve-
12 hicle for replacement only; maintenance of that portion of
13 Congressional Cemetery to which the United States has title,
14 Confederate burial places under the jurisdiction of the De-
15 partment of the Army, and graves used by the Army in
16 commercial cemeteries; \$10,276,000: *Provided*, That this
17 appropriation shall not be used to repair more than
18 a single approach road to any national cemetery: *Pro-*
19 *vided further*, That this appropriation shall not be ob-
20 ligated for construction of a superintendent's lodge or family
21 quarters at a cost per unit in excess of \$17,000, but such
22 limitation may be increased by such additional amounts as
23 may be required to provide office space, public comfort
24 rooms, or space for the storage of Government property
25 within the same structure: *Provided further*, That reim-

1 bursement shall be made to the applicable military appro-
2 priation for the pay and allowances of any military person-
3 nel performing services primarily for the purposes of this
4 appropriation.

5 **CORPS OF ENGINEERS—CIVIL**

6 The following appropriations shall be expended under
7 the direction of the Secretary of the Army and the super-
8 vision of the Chief of Engineers for authorized civil func-
9 tions of the Department of the Army pertaining to rivers
10 and harbors, flood control, beach erosion, and related pur-
11 poses:

12 **GENERAL INVESTIGATIONS**

13 For expenses necessary for the collection and study of
14 basic information pertaining to river and harbor, flood con-
15 trol, shore protection, and related projects, and when author-
16 ized by law, surveys and studies (including cooperative
17 beach erosion studies as authorized in Public Law 520, ap-
18 proved July 3, 1930, as amended and supplemented), of
19 projects prior to authorization for construction, \$16,561,900
20 \$19,192,300, to remain available until expended: *Provided,*
21 That \$100,000 of this appropriation shall be transferred to
22 the United States Fish and Wildlife Service for studies,
23 investigations, and reports thereon as required by the Fish
24 and Wildlife Coordination Act of 1958 (72 Stat. 563-565)
25 to provide that wildlife conservation shall receive equal

1 consideration and be coordinated with other features of
2 water-resource development programs of the Department of
3 the Army.

4 CONSTRUCTION, GENERAL

5 For the prosecution of river and harbor, flood control,
6 shore protection, and related projects authorized by law;
7 and detailed studies, and plans and specifications, of projects
8 (including those for development with participation or under
9 consideration for participation by States, local governments,
10 or private groups) authorized or made eligible for selection
11 by law (but such studies shall not constitute a commitment
12 of the Government to construction) ; ~~\$762,361,000~~ \$807,-
13 962,500, to remain available until expended: *Provided*,
14 That no part of this appropriation shall be used for projects
15 not authorized by law or which are authorized by law
16 limiting the amount to be appropriated therefor, except
17 as may be within the limits of the amount now or hereafter
18 authorized to be appropriated: *Provided further*, That none
19 of the funds appropriated for "Construction, General", in
20 this Act shall be used on the project "Missouri River, Kansas
21 City to mouth", for any purpose other than bank stabiliza-
22 tion work: *Provided further*, That \$600,000 of this appro-
23 priation shall be transferred to the United States Fish and
24 Wildlife Service for studies, investigations, and reports
25 thereon as required by the Fish and Wildlife Coordination

1 Act of 1958 (72 Stat. 563-565) to provide that wildlife
2 conservation shall receive equal consideration and be coordi-
3 nated with other features of water-resource development
4 programs of the Department of the Army.

5 OPERATION AND MAINTENANCE, GENERAL

6 For expenses necessary for the preservation, operation,
7 maintenance, and care of existing river and harbor, flood
8 control, and related works, including such sums as may be
9 necessary for the maintenance of harbor channels provided
10 by a State, municipality or other public agency, outside of
11 harbor lines, and serving essential needs of general commerce
12 and navigation; financing the United States share of the cost
13 of operation and maintenance of remedial works in the Ni-
14 agara River; activities of the California Debris Commission;
15 administration of laws pertaining to preservation of navigable
16 waters; surveys and charting of northern and northwestern
17 lakes and connecting waters; clearing and straightening
18 channels; removal of obstructions to navigation; and rescue
19 work, and repair, or restoration of flood control projects
20 threatened or destroyed by flood; \$143,539,000, to remain
21 available until expended.

22 GENERAL EXPENSES

23 For expenses necessary for general administration and
24 related functions in the Office of the Chief of Engineers and
25 offices of the Division Engineers; activities of the Board of

1 Engineers for Rivers and Harbors and the Beach Erosion
2 Board; commercial statistics; and miscellaneous investiga-
3 tions; \$13,580,000.

4 FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

5 For expenses necessary for prosecuting work of flood
6 control, and rescue work, repair, restoration, or maintenance
7 of flood control projects threatened or destroyed by flood,
8 as authorized by law (33 U.S.C. 702a, 702g-1),
9 ~~\$70,500,000~~ \$75,954,000, to remain available until ex-
10 pended: *Provided, That funds herein appropriated for*
11 *planning on Cache River, Arkansas, shall be used to the*
12 *extent necessary to study the effect of the project on agri-*
13 *cultural lands along the lower Cache River and along the*
14 *White River downstream from the confluence to determine*
15 *whether additional protection should be provided for these*
16 *lands in connection with the Cache River project and for*
17 *preparation and submission of a report thereon to the*
18 *Appropriation Committees.*

19 UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT
20 BOARD OF ENGINEERS

21 For necessary expenses of the United States section of
22 the Saint Lawrence River Joint Board of Engineers, estab-
23 lished by Executive Order 10500, dated November 4, 1953,
24 including services as authorized by section 15 of the Act of
25 August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100

1 per day for individuals; \$20,000: *Provided*, That no part of
2 these funds shall be obligated until agreement has been
3 entered into, by the United States Government and the
4 United States entity authorized to construct the power works
5 in the International Rapids section of the Saint Lawrence
6 River, providing for the reimbursement of the expenditures
7 of the United States section of this Board by the construction
8 entity.

9 ADMINISTRATIVE PROVISIONS

10 Appropriations in this title shall be available for ex-
11 penses of attendance by military personnel of meetings in
12 the manner authorized by section 19 (b) of the Act of July
13 7, 1958 (72 Stat. 336), uniforms, or allowances therefor,
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131), and for printing, either during a recess
16 or session of Congress, of survey reports authorized by law,
17 and such survey reports as may be printed during a recess
18 of Congress shall be printed, with illustrations, as documents
19 of the next succeeding session of Congress; and during the
20 current fiscal year the revolving fund, Corps of Engineers,
21 shall be available for purchase (not to exceed two hun-
22 dred and sixteen, of which one hundred and ninety shall
23 be for replacement only) and hire of passenger motor
24 vehicles.

1 THE PANAMA CANAL
2 CANAL ZONE GOVERNMENT
3 OPERATING EXPENSES

4 For operating expenses necessary for the Canal Zone
5 Government, including operation of the Postal Service of the
6 Canal Zone; hire of passenger motor vehicles; uniforms or
7 allowances therefor, as authorized by the Act of September
8 1, 1954, as amended (5 U.S.C. 2131) ; expenses incident to
9 conducting hearings on the Isthmus; expenses of special
10 training of employees of the Canal Zone Government as
11 authorized by law (2 C.Z. Code, Sec. 85 as added by 63
12 Stat. 602; 5 U.S.C. 2301 et seq.) ; contingencies of the
13 Governor; residence for the Governor; medical aid and sup-
14 port of the insane and of lepers and aid and support of in-
15 digent persons legally within the Canal Zone, including ex-
16 penses of their deportation when practicable; remodeling
17 Army buildings, in the Canal Zone, for temporary use as
18 school classrooms; and payments of not to exceed \$50 in
19 any one case to persons within the Government service who
20 shall furnish blood for transfusions; \$22,772,000.

21 CAPITAL OUTLAY

22 For acquisition of land and land under water and ac-
23 quisition, construction, and replacement of improvements,

1 facilities, structures, and equipment, as authorized by law
2 (2 C.Z. Code, Sec. 3; 2 C.Z. Code, Sec. 16, as added by 63
3 Stat. 600), including the purchase of not to exceed seven pas-
4 senger motor vehicles for replacement only for police-type use
5 without regard to the general purchase price limitation for
6 the current fiscal year; and expenses incident to the retire-
7 ment of such assets; \$3,120,000, to remain available
8 until expended: *Provided*, That notwithstanding the
9 limitation under this head in the Second Supplemental
10 Appropriation Act, 1961, appropriations for "capital outlay"
11 may be used for expenses related to the construction of
12 quarters for non-U.S. citizen employees at a unit cost not
13 exceeding \$16,500.

14 PANAMA CANAL COMPANY

15 CORPORATION

16 The Panama Canal Company is hereby authorized to
17 make such expenditures within the limits of funds and
18 borrowing authority available to it and in accord with law,
19 and to make such contracts and commitments without regard
20 to fiscal year limitations as provided by section 104 of the
21 Government Corporation Control Act, as amended (31
22 U.S.C. 849), as may be necessary in carrying out the pro-

1 grams set forth in the budget for the current fiscal year for
2 such corporation, except as hereinafter provided:

3 LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES,
4 PANAMA CANAL COMPANY

5 Not to exceed \$8,113,000 of the funds available to
6 the Panama Canal Company shall be available during the
7 current fiscal year for general and administrative expenses
8 of the Company, which shall be computed on an accrual
9 basis. Funds available to the Panama Canal Company
10 for operating expenses shall be available for the purchase
11 of not to exceed sixteen passenger motor vehicles for re-
12 placement only, and for uniforms or allowances therefor,
13 as authorized by the Act of September 1, 1954, as amended
14 (5 U.S.C. 2131).

15 GENERAL PROVISION—THE PANAMA CANAL

16 The Governor of the Canal Zone is authorized to employ
17 services as authorized by section 15 of the Act of August
18 2, 1946 (5 U.S.C. 55a), in an amount not exceeding
19 \$30,000: *Provided*, That the rates for individuals shall not
20 exceed \$100 per diem.

21 TITLE II—DEPARTMENT OF THE INTERIOR

22 BUREAU OF RECLAMATION

23 For carrying out the functions of the Bureau of Reclama-
24 tion as provided in the Federal reclamation laws (Act of

1 June 17, 1902, 32 Stat. 388, and Acts amendatory thereof
2 or supplementary thereto) and other Acts applicable to
3 that Bureau, as follows:

4 GENERAL INVESTIGATIONS

5 For engineering and economic investigations of pro-
6 posed Federal reclamation and other projects for which the
7 Secretary may have power marketing responsibilities under
8 section 5 of the Flood Control Act of 1944 and studies of
9 water conservation and development plans and activities pre-
10 liminary to the reconstruction, rehabilitation and betterment,
11 financial adjustment, or extension of existing projects, in-
12 cluding not to exceed \$350,000 for investigations of proj-
13 ects in Alaska, to remain available until expended,
14 ~~\$7,100,000~~ \$9,420,000, of which ~~\$5,610,000~~ \$8,030,000
15 shall be derived from the reclamation fund and \$500,000
16 shall be derived from the Colorado River development fund:
17 *Provided*, That none of this appropriation shall be used for
18 more than one-half of the cost of an investigation requested
19 by a State, municipality, or other interest: *Provided further*,
20 That \$290,000 of this appropriation shall be transferred to
21 the United States Fish and Wildlife Service for studies,
22 investigations, and reports thereon as required by the Fish
23 and Wildlife Coordination Act of 1958 (72 Stat. 563-565)
24 to provide that wildlife conservation shall receive equal

1 consideration and be coordinated with other features of
2 water-resource development programs of the Bureau of
3 Reclamation.

4 CONSTRUCTION AND REHABILITATION

5 For construction and rehabilitation of authorized recla-
6 mation projects or parts thereof (including power transmis-
7 sion facilities) and for other related activities, as authorized
8 by law, to remain available until expended, ~~\$153,077,000~~
9 ~~\$160,361,000~~, of which \$75,000,000 shall be derived from
10 the reclamation fund: *Provided*, That no part of this appro-
11 priation shall be used to initiate the construction of
12 transmission facilities within those areas covered by power
13 wheeling service contracts which include provision for
14 service to Federal establishments and preferred cus-
15 tomers, except those transmission facilities for which con-
16 struction funds have been heretofore appropriated, those
17 facilities which are necessary to carry out the terms of such
18 contracts or those facilities for which the Secretary of the
19 Interior finds the wheeling agency is unable or unwilling to
20 provide for the integration of Federal projects or for service
21 to a Federal establishment or preferred customer.

22 OPERATION AND MAINTENANCE

23 For operation and maintenance of reclamation projects
24 or parts thereof and of other facilities, as authorized by law;
25 and for a soil and moisture conservation program on lands

1 under the jurisdiction of the Bureau of Reclamation, pursuant
2 to law, ~~\$38,150,000~~ \$36,444,600, of which \$31,319,000
3 shall be derived from the reclamation fund and \$1,481,000
4 shall be derived from the Colorado River Dam fund:
5 *Provided*, That funds advanced for operation and mainte-
6 nance of reclamation projects or parts thereof shall be
7 deposited to the credit of this appropriation and may be
8 expended for the same objects and in the same manner as
9 sums appropriated herein may be expended, and the
10 unexpended balances of such advances shall be credited to
11 the appropriation for the next succeeding fiscal year.

12 LOAN PROGRAM

13 For loans to irrigation districts and other public agencies
14 for construction of distribution systems on authorized Fed-
15 eral reclamation projects, and for loans and grants to non-
16 Federal agencies for construction of projects, as authorized
17 by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-
18 421d), and August 6, 1956 (43 U.S.C. 422a-422k), as
19 amended (71 Stat. 48), including expenses necessary for
20 carrying out the program, ~~\$10,173,000~~ \$12,517,000, to
21 remain available until expended: *Provided*, That any con-
22 tract under the Act of July 4, 1955 (69 Stat. 244), as
23 amended, not yet executed by the Secretary, which calls for
24 the making of loans beyond the fiscal year in which the con-
25 tract is entered into shall be made only on the same condi-

1 tions as those prescribed in section 12 of the Act of August
2 4, 1939 (53 Stat. 1187, 1197).

3 EMERGENCY FUND

4 For an additional amount for the "Emergency fund",
5 as authorized by the Act of June 26, 1948 (43 U.S.C. 502),
6 to remain available until expended for the purposes specified
7 in said Act, \$1,000,000, to be derived from the reclamation
8 fund.

9 UPPER COLORADO RIVER STORAGE PROJECT

10 For the Upper Colorado River Storage Project, as au-
11 thorized by the Act of April 11, 1956 (43 U.S.C. 620d), to
12 remain available until expended, ~~\$106,508,000~~ \$109,576,-
13 000, of which ~~\$103,276,000~~ \$105,576,000 shall be avail-
14 able for the "Upper Colorado River Basin Fund" authorized
15 by section 5 of said Act of April 11, 1956, and ~~\$3,232,000~~
16 \$4,000,000 shall be available for construction of recreational
17 and fish and wildlife facilities authorized by section 8 thereof,
18 and may be expended by bureaus of the Department through
19 or in cooperation with State or other Federal agencies, and
20 advances to such Federal agencies are hereby authorized:
21 *Provided*, That no part of the funds herein appropriated shall
22 be available for construction or operation of facilities to pre-
23 vent waters of Lake Powell from entering any National
24 Monument.

1 GENERAL ADMINISTRATIVE EXPENSES

2 For necessary expenses of general administration and
3 related functions in the offices of the Commissioner of Recla-
4 mation and in the regional offices of the Bureau of Rec-
5 lamation, \$9,300,000, to be derived from the reclama-
6 tion fund and to be nonreimbursable pursuant to the
7 Act of April 19, 1945 (43 U.S.C. 377) : *Provided*, That no
8 part of any other appropriation in this Act shall be available
9 for activities or functions budgeted for the current fiscal year
10 as general administrative expenses.

11 SPECIAL FUNDS

12 Sums herein referred to as being derived from the recla-
13 mation fund, the Colorado River Dam fund, or the Colorado
14 River development fund, are appropriated from the special
15 funds in the Treasury created by the Act of June 17, 1902
16 (43 U.S.C. 391), the Act of December 21, 1928 (43
17 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C.
18 618a), respectively. Such sums shall be transferred, upon
19 request of the Secretary, to be merged with and expended
20 under the heads herein specified; and the unexpended
21 balances of sums transferred for expenditure under the
22 heads "Operation and Maintenance" and "General Adminis-
23 trative Expenses" shall revert and be credited to the special
24 fund from which derived.

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1 pursuant to the Act of April 19, 1945 (43 U.S.C. 377),
2 for expenses other than those incurred on behalf of specific
3 reclamation projects except "General Administrative Ex-
4 penses" and amounts provided for reconnaissance, basin
5 surveys, and general engineering and research under the
6 head "General Investigations".

7 Allotments to the Missouri River Basin project from the
8 appropriation under the head "Construction and Rehabilita-
9 tion" shall be available additionally for said project for those
10 functions of the Bureau of Reclamation provided for under
11 the head "General Investigations" (but this authorization
12 shall not preclude use of the appropriation under said head
13 within that area), and for the continuation of investigations
14 by agencies of the Department on a general plan for the
15 development of the Missouri River Basin. Such allotments
16 may be expended through or in cooperation with State and
17 other Federal agencies, and advances to such agencies are
18 hereby authorized.

19 Sums appropriated herein which are expended in the
20 performance of reimbursable functions of the Bureau of
21 Reclamation shall be returnable to the extent and in the man-
22 ner provided by law.

23 No part of any appropriation for the Bureau of Reclama-
24 tion, contained in this Act or in any prior Act, which repre-

1 sents amounts earned under the terms of a contract but re-
2 maining unpaid, shall be obligated for any other purpose,
3 regardless of when such amounts are to be paid: *Provided*,
4 That the incurring of any obligation prohibited by this para-
5 graph shall be deemed a violation of section 3679 of the
6 Revised Statutes, as amended (31 U.S.C. 665).

7 No funds appropriated to the Bureau of Reclamation for
8 operation and maintenance, except those derived from ad-
9 vances by water users, shall be used for the particular benefit
10 of lands (a) within the boundaries of an irrigation district,
11 (b) of any member of a water users' organization, or (c)
12 of any individual, when such district, organization, or in-
13 dividual is in arrears for more than twelve months in the pay-
14 ment of charges due under a contract entered into with the
15 United States pursuant to laws administered by the Bureau
16 of Reclamation.

17 Not to exceed \$225,000 may be expended from the ap-
18 propriation "Construction and rehabilitation" for work by
19 force account on any one project or Missouri Basin unit and
20 then only when such work is unsuitable for contract or no
21 acceptable bid has been received and, other than otherwise
22 provided in this paragraph or as may be necessary to meet
23 local emergencies, not to exceed 12 per centum of the con-
24 struction allotment for any project from the appropriation
25 "Construction and rehabilitation" contained in this Act shall

1 be available for construction work by force account: *Pro-*
2 *vided*, That this paragraph shall not apply to work performed
3 under the Rehabilitation and Betterment Act of 1949 (63
4 Stat. 724) .

5 *After September 30, 1962, the position of Commissioner*
6 *of Reclamation shall have the annual rate of compensation*
7 *as provided for positions listed in section 2205(a) of title 5,*
8 *United States Code, so long as held by the present incumbent.*

9 BONNEVILLE POWER ADMINISTRATION

10 CONSTRUCTION

11 For construction and acquisition of transmission lines,
12 substations, and appurtenant facilities, as authorized by law,
13 and purchase of one aircraft, \$29,800,000, to remain avail-
14 able until expended.

15 OPERATION AND MAINTENANCE

16 For necessary expenses of operation and maintenance of
17 the Bonneville transmission system and of marketing electric
18 power and energy, \$12,713,000.

19 ADMINISTRATIVE PROVISIONS

20 Appropriations of the Bonneville Power Administra-
21 tion shall be available to carry out all the duties imposed
22 upon the Administrator pursuant to law. Appropriations
23 made herein to the Bonneville Power Administration shall be
24 available in one fund, except that the appropriation herein

1 made for operation and maintenance shall be available only
2 for the service of the current fiscal year.

3 Other than as may be necessary to meet local emer-
4 gencies, not to exceed 12 per centum of the appropriation for
5 construction herein made for the Bonneville Power Adminis-
6 tration shall be available for construction work by force
7 account or on a hired-labor basis.

8 SOUTHEASTERN POWER ADMINISTRATION

9 OPERATION AND MAINTENANCE

10 For necessary expenses of operation and maintenance of
11 power transmission facilities and of marketing electric power
12 and energy pursuant to the provisions of section 5 of the
13 Flood Control Act of 1944 (16 U.S.C. 825s), as applied to
14 the southeastern power area, \$800,000 including purchase of
15 two passenger motor vehicles of which one is for replace-
16 ment only.

17 SOUTHWESTERN POWER ADMINISTRATION

18 CONSTRUCTION

19 For construction and acquisition of transmission lines,
20 substations, and appurtenant facilities, and for administrative
21 expenses connected therewith, in carrying out the provisions
22 of section 5 of the Flood Control Act of 1944 (16 U.S.C.
23 825s), as applied to the southwestern power area, \$7,210,-
24 000, to remain available until expended.

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, including purchase of not to exceed four passenger motor vehicles for replacement only, \$1,450,000.

CONTINUING FUND

Not to exceed \$5,000,000 shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities.

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 202. The Secretary may authorize the expenditure

1 or transfer (within each bureau or office) of any appropria-
2 tion in this title, in addition to the amounts included in the
3 budget programs of the several agencies, for the suppression
4 or emergency prevention of forest or range fires on or threat-
5 ening lands under jurisdiction of the Department of the In-
6 terior.

7 SEC. 203. Appropriations in this title shall be available
8 for operation of warehouses, garages, shops, and similar facil-
9 ities, wherever consolidation of activities will contribute
10 to efficiency or economy, and said appropriations shall be
11 reimbursed for services rendered to any other activity in the
12 same manner as authorized by the Act of June 30, 1932
13 (31 U.S.C. 686) : *Provided*, That reimbursements for cost
14 of supplies, materials and equipment, and for services ren-
15 dered may be credited to the appropriation current at the
16 time such reimbursements are received.

17 SEC. 204. No part of any funds made available by this
18 Act to the Southwestern Power Administration may be made
19 available to any other agency, bureau, or office for any pur-
20 poses other than for services rendered pursuant to law to
21 the Southwestern Power Administration.

TITLE III—INDEPENDENT OFFICES

ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the employment of aliens; services authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a) ; purchase of equipment; purchase, maintenance, and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official entertainment expenses (not to exceed \$30,000) ; reimbursement of the General Services Administration for security guard services; purchase (not to exceed seven hundred and forty, of which four hundred and ten are for replacement only) and hire of passenger motor vehicles; ~~\$2,860,974,000~~ \$2,885,391,000, and any moneys (except sums received from disposal of property under the Atomic Energy Community Act of 1955 (42 U.S.C. 2301)) received by the Commission, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484), to remain available until expended: *Provided,*

1 That of such amount \$100,000 may be expended for objects
2 of a confidential nature and in any such case the certificate
3 of the Commission as to the amount of the expenditure and
4 that it is deemed inadvisable to specify the nature thereof
5 shall be deemed a sufficient voucher for the sum therein
6 expressed to have been expended: *Provided further*, That
7 from this appropriation transfers of sums may be made to
8 other agencies of the Government for the performance of the
9 work for which this appropriation is made, and in such cases
10 the sums so transferred may be merged with the appropria-
11 tion to which transferred: *Provided further*, That no part
12 of this appropriation shall be used in connection with the
13 payment of a fixed fee to any contractor or firm of con-
14 tractors engaged under a cost-plus-a-fixed-fee contract or
15 contracts at any installation of the Commission, where that
16 fee for community management is at a rate in excess of
17 \$90,000 per annum, or for the operation of a transportation
18 system where that fee is at a rate in excess of \$45,000 per
19 annum.

20 PLANT ACQUISITION AND CONSTRUCTION

21 For expenses of the Commission, as authorized by law,
22 in connection with the purchase and construction of plant
23 and other expenses incidental thereto necessary in carrying
24 out the purposes of the Atomic Energy Act of 1954, as
25 amended, including the acquisition or condemnation of any

1 real property or any facility or for plant or facility acqui-
2 tion, construction, or expansion; and hire of passenger motor
3 vehicles; ~~\$261,845,000~~ \$267,895,000, to remain available
4 until expended: *Provided*, That not to exceed ~~\$4,500,000~~
5 \$9,000,000 of this appropriation for carrying out improve-
6 ments on U.S. Highway 95, Nevada, as authorized in the
7 Commission's 1963 authorization Act, may be transferred to
8 the Bureau of Public Roads, Department of Commerce.

9 GENERAL PROVISIONS

10 Any appropriation available under this or any other Act
11 to the Atomic Energy Commission may initially be used
12 subject to limitations in this Act during the fiscal year
13 1963 to finance the procurement of materials, services,
14 or other costs which are a part of work or activities for
15 which funds have been provided in any other appropria-
16 tion available to the Commission: *Provided*, That appropri-
17 ate transfers or adjustments between such appropriations
18 shall subsequently be made for such costs on the basis of
19 actual application determined in accordance with generally
20 accepted accounting principles.

21 Not to exceed 5 per centum of appropriations made
22 available for the fiscal year 1963 for "Operating expenses"
23 and "Plant acquisition and construction" may be trans-
24 ferred between such appropriations, but neither such ap-
25 propriation, except as otherwise provided herein, shall be

1 increased by more than 5 per centum by any such transfers,
2 and any such transfers shall be reported promptly to the
3 Appropriations Committees of the House and Senate.

4 No part of any appropriation herein shall be used to
5 confer a fellowship on any person who advocates or who is
6 a member of an organization or party that advocates the
7 overthrow of the Government of the United States by force
8 or violence or with respect to whom the Commission finds
9 upon investigation and report by the Civil Service Commis-
10 sion on the character, associations, and loyalty of whom, that
11 reasonable grounds exist for belief that such person is disloyal
12 to the Government of the United States: *Provided*, That any
13 person who advocates or who is a member of an organization
14 or party that advocates the overthrow of the Government of
15 the United States by force or violence and accepts employ-
16 ment or a fellowship the salary, wages, stipend, grant, or
17 expenses for which are paid from any appropriation con-
18 tained herein shall be guilty of a felony and, upon conviction,
19 shall be fined not more than \$1,000 or imprisoned for not
20 more than one year, or both: *Provided further*, That the
21 above penal clause shall be in addition to, and not in substitu-
22 tion for, any other provisions of existing law.

1 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

2 The Saint Lawrence Seaway Development Corporation
3 is hereby authorized to make such expenditures, within the
4 limits of funds and borrowing authority available to such
5 Corporation, and in accord with law, and to make such con-
6 tracts and commitments without regard to fiscal year limita-
7 tions as provided by section 104 of the Government Cor-
8 poration Control Act, as amended, as may be necessary in
9 carrying out the programs set forth in the budget for the
10 current fiscal year for such Corporation, except as herein-
11 after provided:

12 LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAW-
13 RENCE SEAWAY DEVELOPMENT CORPORATION

14 Not to exceed ~~\$425,000~~ \$414,000 shall be available for
15 administrative expenses which shall be computed on an
16 accrual basis, including not to exceed \$2,000 for official
17 entertainment expenses to be expended upon the approval or
18 authority of the Administrator, purchase of one passenger
19 motor vehicle for replacement only, uniforms or allowances
20 therefor for operation and maintenance personnel, as author-
21 ized by law (5 U.S.C. 2131, and services as authorized by
22 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),

1 at rates for individuals not to exceed \$100 per day: *Provided*,
2 That not to exceed \$5,000 may be expended for services of
3 individuals employed at rates in excess of \$50 per day.

4 TENNESSEE VALLEY AUTHORITY

5 PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

6 For the purpose of carrying out the provisions of the
7 Tennessee Valley Authority Act of 1933, as amended (16
8 U.S.C., ch. 12A), including hire, maintenance, and opera-
9 tion of aircraft, and purchase (not to exceed one hundred
10 and fifty for replacement only) and hire of passenger motor
11 vehicles, \$35,071,000, to remain available until expended.

12 DELAWARE RIVER BASIN COMMISSION

13 SALARIES AND EXPENSES

14 For expenses necessary to carry out the functions of the
15 United States member of the Delaware River Basin Com-
16 mission, as authorized by law (75 Stat. 716), \$32,000.

17 CONTRIBUTION TO THE DELAWARE RIVER BASIN

18 COMMISSION

19 For payment of the United States share of the current
20 expenses of the Delaware River Basin Commission, as
21 authorized by law (75 Stat. 706, 707), \$80,000.

1 U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

2 SALARIES AND EXPENSES

3 For necessary expenses to carry out the provisions of
4 the Act approved August 28, 1958 (72 Stat. 1090), in-
5 cluding services as authorized by the Act of August 2, 1946
6 (5 U.S.C. 55a), \$552,000 to remain available until Decem-
7 ber 31, 1962 1963.

8 U.S. STUDY COMMISSION—TEXAS

9 SALARIES AND EXPENSES

10 The appropriation granted under this head in the Public
11 Works Appropriation Act, 1962, shall remain available until
12 August 31, 1962.

13 *TITLE IV*14 *FUNDS APPROPRIATED TO THE PRESIDENT*15 *PUBLIC WORKS ACCELERATION*

16 *For expenses necessary to enable the President to pro-*
17 *vide for carrying out the purposes of the Public Works*
18 *Acceleration Act, including services as authorized by section*
19 *15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at*
20 *rates for individuals not to exceed \$75 per diem, \$500,-*
21 *000,000, to remain available until expended.*

1 TITLE ~~IV~~ V—GENERAL PROVISIONS

2 DEPARTMENTS, AGENCIES, AND CORPORATIONS

3 SEC. ~~401~~ 501. Unless otherwise specifically provided,
4 the maximum amount allowable during the current fiscal year
5 in accordance with section 16 of the Act of August 2, 1946
6 (5 U.S.C. 78), for the purchase of any passenger motor
7 vehicle (exclusive of buses and ambulances), is hereby fixed
8 at \$1,500 except station wagons for which the maximum
9 shall be \$1,950.

10 SEC. ~~402~~ 502. Unless otherwise specified and during the
11 current fiscal year, no part of any appropriation contained
12 in this or any other Act shall be used to pay the compensa-
13 tion of any officer or employee of the Government of the
14 United States (including any agency the majority of the
15 stock of which is owned by the Government of the United
16 States) whose post of duty is in continental United States
17 unless such person (1) is a citizen of the United States, (2)
18 is a person in the service of the United States on the date of
19 enactment of this Act who, being eligible for citizenship, had
20 filed a declaration of intention to become a citizen of the
21 United States prior to such date, (3) is a person who owes
22 allegiance to the United States, or (4) is an alien from
23 Poland or the Baltic countries lawfully admitted to the
24 United States for permanent residence: *Provided*, That for
25 the purpose of this section, an affidavit signed by any such

1 person shall be considered prima facie evidence that the
2 requirements of this section with respect to his status have
3 been complied with: *Provided further*, That any person
4 making a false affidavit shall be guilty of a felony and, upon
5 conviction, shall be fined not more than \$4,000 or imprisoned
6 for not more than one year, or both: *Provided further*, That
7 the above penal clause shall be in addition to, and not in
8 substitution for, any other provisions of existing law: *Pro-*
9 *vided further*, That any payment made to any officer or
10 employee contrary to the provisions of this section shall be
11 recoverable in action by the Federal Government. This
12 section shall not apply to citizens of the Republic of the
13 Philippines or to nationals of those countries allied with the
14 United States in the current defense effort, or to temporary
15 employment of translators, or to temporary employment in
16 the field service (not to exceed sixty days) as a result of
17 emergencies.

18 SEC. 403 503. Appropriations of the executive depart-
19 ments and independent establishments for the current fiscal
20 year, available for expenses of travel or for the expenses of the
21 activity concerned, are hereby made available for quarters
22 allowances and cost-of-living allowances, in accordance with
23 title II of the Act of September 6, 1960 (74 Stat. 793).

24 SEC. 404 504. No part of any appropriation for the
25 current fiscal year contained in this or any other Act shall be

1 paid to any person for the filling of any position for which he
2 or she has been nominated after the Senate has voted not to
3 approve the nomination of said person.

4 SEC. 405 505. No part of any appropriation contained in
5 this or any other Act for the current fiscal year shall be used
6 to pay in excess of \$4 per volume for the current and future
7 volumes of the United States Code Annotated, and such
8 volumes shall be purchased on condition and with the under-
9 standing that latest published cumulative annual pocket parts
10 issued prior to the date of purchase shall be furnished free of
11 charge, or in excess of \$4.25 per volume for the current
12 or future volumes of the Lifetime Federal Digest, or in ex-
13 cess of \$6.50 per volume for the current or future volumes
14 of the Modern Federal Practice Digest.

15 SEC. 406 506. Funds made available by this or any other
16 Act for administrative expenses in the current fiscal year
17 of the corporations and agencies subject to the Government
18 Corporation Control Act, as amended (31 U.S.C. 841),
19 shall be available, in addition to objects for which such funds
20 are otherwise available, for rent in the District of Columbia;
21 services in accordance with section 15 of the Act of August 2,
22 1946 (5 U.S.C. 55a) ; and the objects specified under this
23 head, all the provisions of which shall be applicable to the
24 expenditure of such funds unless otherwise specified in the
25 Act by which they are made available: *Provided*, That in

1 the event any functions budgeted as administrative expenses
2 are subsequently transferred to or paid from other funds,
3 the limitations on administrative expenses shall be corre-
4 spondingly reduced.

5 SEC. ~~407~~ 507. Pursuant to section 1415 of the Act of
6 July 15, 1952 (66 Stat. 662), foreign credits (including
7 currencies) owed to or owned by the United States may be
8 used by Federal agencies for any purpose for which appro-
9 priations are made for the current fiscal year (including the
10 carrying out of Acts requiring or authorizing the use of such
11 credits), only when reimbursement therefor is made to the
12 Treasury from applicable appropriations of the agency con-
13 cerned: *Provided*, That such credits received as exchange
14 allowances or proceeds of sales of personal property may be
15 used in whole or part payment for acquisition of similar items,
16 to the extent and in the manner authorized by law, without
17 reimbursement to the Treasury.

18 This Act may be cited as the "Public Works Appro-
19 priation Act, 1963".

Passed the House of Representatives August 16, 1962.

Attest:

RALPH R. ROBERTS,

Clerk.

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

August 17 (legislative day, August 14), 1962
Read twice and referred to the Committee on
Appropriations

September 28, 1962
Reported with amendments

Sept 29, 1962

forestry research by providing grants and other assistance for forestry research to land-grant colleges and universities or agricultural experiment stations, was passed as reported on Sept. 25, and passed the bill without amendment. (pp. 20021-3) This bill will now be sent to the President. Rejected the committee amendments which would have made all colleges and universities offering graduate training in the sciences basic to forestry and having forestry schools eligible for grants under the bill without regard to whether they are State supported. (p. 20023)

13. STATE, JUSTICE, COMMERCE, JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963. A subcommittee of the Appropriations Committee approved for full committee consideration with amendments this bill, H. R. 12580. p. D907
14. BUDGETING. The Government Operations Committee reported without amendment H.R. 10613, to repeal subsection (d) of Sec. 16 of the Administrative Expenses Act of 1946 which requires detailed budget estimates for appropriations to be used for purchase or hire of passenger motor vehicles or for purchase, maintenance, or operation of aircraft (S. Rept. 2184). p. 19997
15. PERSONNEL. The Government Operations Committee reported without amendment H.R. 10652, to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another (S. Rept. 2185). p. 19997
Agreed to the conference report on H. R. 12180, to extend until July 1, 1964, the existing provisions of law permitting the free importation of personal and household effects brought into the U. S. under Government orders. This bill will now be sent to the President. p. 20082
16. MINERALS. The Interior and Insular Affairs Committee reported with amendments S. 1696, to authorize the Secretary of the Interior to conduct a survey of federally-owned lands for the purpose of locating strategic minerals (S. Rept. 2188). p. 19997
17. D. C. APPROPRIATION BILL, 1963. Passed as reported this bill, H. R. 12276. Conferees were appointed. pp. 20025-78
18. DRUGS. Conferees were appointed on S. 1552, the proposed Drug Industry Act of 1962. House conferees have already been appointed. pp. 20078-82
19. WILDERNESS PRESERVATION. Sen. Humphrey defended the wilderness preservation bill as passed by the Senate and urged the House to take action on the measure this session of Congress. pp. 20097-9
20. RECLAMATION. Concurred in the House amendments to S. 1060, to authorize the construction of the Oroville-Tonasket unit of the Okanogan-Similkameen division, Chief Joseph Dam project, Wash. This bill will now be sent to the President. pp. 20085-6
21. ELECTRIFICATION. Sen. Jackson defended the provisions of S. 3153, to define the primary marketing area of the Bonneville Power Administration, as passed by the Senate Aug. 8. pp. 20086-8
22. PEACE CORPS. Sen. Humphrey commended the work of the Peace Corps on its first anniversary. pp. 20094-7
23. FOREIGN AID. The Rules and Administration Committee reported a resolution authorizing the printing as a Senate document a study, "United States Private

Foreign Aid Programs." p. 19997

24. LEGISLATIVE PROGRAM. Sen. Mansfield stated that the foreign aid appropriation bill will be considered next Mon., Oct. 1, following by consideration of the State-Justice-Commerce appropriation bill, the public works appropriation bill, and the roads bill, and that the conference report on the tax bill will probably be considered Wed., and the supplemental appropriation bill will probably be considered on Thurs. pp. 20011-3

SENATE - Sept. 29

25. PUBLIC WORKS APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 12900. pp. 20114, 20115, 20118-43, 20149, 20156, 20168-237
26. STATE-COMMERCE-JUDICIARY APPROPRIATION BILL, 1963. Sen. Smathers submitted notice that he will move to suspend the rules on this bill, H. R. 12580, for the purpose of proposing amendments to it. pp. 20102-9
27. FOREIGN AID APPROPRIATION BILL, 1963. Sens. Smathers and Hayden submitted notices that they will move to suspend the rules on this bill, H. R. 13175, for the purpose of proposing amendments to it. p. 20109
28. WATER POLLUTION. The Judiciary Committee reported without amendment H. R. 10617, providing that the U. S. district courts shall have jurisdiction of certain cases involving pollution of interstate river systems, and providing for the venue thereof (S. Rept. 2211). p. 20102
29. EDUCATION. The Labor and Public Welfare Committee reported with amendment S. 3477, to promote the security and welfare of the people of the U. S. by providing for a program to assist the several states in further developing their programs of general university extension education (S. Rept. 2204). p. 20102
30. PERSONNEL. The Judiciary Committee reported with amendments H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflicts of interest (S. Rept. 2213). p. 20102
Passed without amendment H. R. 10652, to amend the Administrative Expenses Act of 1946 to provide a more reasonable allowance for transportation of house trailers or mobile dwellings by certain governmental officers and employees upon their transfer from one official station to another so as to provide that the employee may be reimbursed the actual cost of moving the trailer if it is moved by a commercial firm or his agency contracts to move it. This bill will now be sent to the President. p. 20153
31. MINERALS. Passed as reported H. R. 11049, to provide for the relief of certain oil and gas lessees under the Mineral Leasing Act. pp. 20149-51
32. SURPLUS PROPERTY. Passed without amendment H. R. 11378, to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to schools for the mentally retarded, schools for the physically handicapped, educational television stations, and public libraries. This bill will now be sent to the President. pp. 20153-4
33. ADJOURNED until Mon. Oct. 1. p. 20237

It is interesting to note, in view of the fact that Bolidens is a copper company, that months before Schwartz was on the U.N. staff he was seen in Katanga on a personal survey for interests other than those of the U.N.

3. Hjortzberg-Nordlund, who has been a vice president in charge of planning and developing of mines for Grangesberg since 1956, was asked by the U.N. in 1960 to give technical advice to the Republic of the Congo. At the U.N.'s request, he submitted a report recommending partial nationalization of Katanga's mining industry.

Could Katanga President Moise Tshombe have had the operations of these men in mind when he called the U.N. "a paper instrument of certain powerful capitalist interests making common cause with world communists"?

THE UNDERMINERS

Within the past 10 days, a story of iceberg proportions has begun to emerge from the misty seas of the United Nations operation in mineral-rich Katanga Province.

This is a story of strange coincidence and intricate circumstance—of gigantic power complexes on a scale seldom contemplated by the everyday citizen. It raises some profoundly disturbing questions.

In a few words: There is now reason to believe that no fewer than six high United States and U.N. officials, all of them involved in some phase of the Congo operation, have been directly or indirectly connected with a Swedish-American syndicate engaged in African mining. There is reason to believe that this syndicate would profit enormously by the neutralization, or control, of the vast copper mines operated by Union Minière in Katanga. The cast of characters in this bizarre affair includes such figures as:

George W. Ball, Under Secretary of State.
Fowler Hamilton, Administrator for the U.S. Agency for International Development.
Bo Gustav Hammarskjöld, brother of the late Dag Hammarskjöld, U.N. Secretary General.

Sture Linner, until recently, U.N. chief representative in the Congo.

Sven Schwartz, head of a Swedish copper-mining firm, who made a survey for the U.N. of Katanga's mineral resources.

Borg Hjortzberg-Nordlund, U.N. consultant and a director in mining companies.

Rumors of the mining interests of these men have been circulating for months. On September 12, a U.S. Representative from Indiana, Republican DONALD BRUCE, broke the story with a long address in the House. After months of work, he had uncovered an amazing network of financial cross-relationships in the files of the Securities and Exchange Commission, and from other sources. In his address, he emphasized that he had no evidence of abuse of power on anyone's part; his object was simply to disclose a possible conflict of interests of staggering proportions.

For reasons we do not comprehend, only a couple of newspapers have reported Mr. Bruce's disclosures. Assuming the validity of his skeleton facts, we say bluntly that the story cries out for full examination.

In the background, like the seven-eighths of an iceberg that lies beneath the surface, is this fact: Copper is now in over-supply on world markets. Prices are down. Tight control of Union Minière's production (10 percent of the world's supply) would eliminate the surplus. If rebellious Katanga Province could be forced back into the Congo, effective control of Union Minière's production would be vested in the U.N.'s puppet administration at Leopoldville.

Not only Katanga's copper is involved in the incredible stakes of this political-military venture. Katanga also is rich in cobalt and zinc. It should be kept in mind, too, in attempting to unravel the complexities of this story, that the sort of monopoly cap-

italism which is prohibited in the United States by antitrust laws is entirely legal in Europe. Indeed, interlocking directorates and ownerships are a preferred way of doing business abroad.

Union Minière is itself a cartel, owned by Belgian and English investment companies. Like the Hudson's Bay Co., in Canada, it is responsible for the development of its territory and runs many nonmining services for its employees—banks, electricity, stores, construction companies. However, its owners have interests throughout the Congo, and have no special reason to oppose consolidation of the two countries.

The history of the Swedish-American mining cartel is harder to explain. Its legal structure unfolds like a hat salesman's sample case; but though the hats are many, the heads to wear them are few. Lamco (Liberian American Swedish Minerals Co.) started out as the International African American Corp., which shared an iron ore concession in Liberia with the Liberian Government. The American company ran into money troubles in 1961, when a Swedish syndicate showed up with lots of capital and a burning desire to get into African mining. The Swedes formed a Canadian holding company—Liberian Iron Ore Co.—which used the assets of International African American to set up Lamco, the operating firm.

THE AMERICAN INTERESTS

The Americans in Lamco are not too hard to trace. Lamco's president is Johnston Avery, who resigned from the U.S. Technical Cooperation Administration to take the job. In the International African American Corp., Fowler Hamilton was a director until he resigned in 1960 to enter the State Department. But his place was taken by Melvin Steen, his partner in the New York law firm of Cleary, Gottlieb, Steen & Hamilton—counsel to IAAC. The Washington office of this firm is known as Cleary, Gottlieb, Steen & Ball—George Wildman Ball. Although lawyers are normally required to disassociate themselves from their partners when they enter Government, the New York Times reported on May 21 that Ball went to Stockholm to meet "a secret organization of men of great wealth."

THE SWEDISH INTERESTS

The Swedish syndicate is an even more complicated example of monopoly capitalism. Nearly half of the holding company is owned by Grangesberg-Oxelösund, a large iron and steel outfit. A construction firm, Svenska Entreprenad, and four others make a total of six. The catch is that large blocks of stock in Grangesberg and Svenska Entreprenad are owned by the large Swedish copper company, Bolidens Gruv. Needless to say, the directorates are all closely interlocked. And the directorates are held by men who were in a position to influence U.N. policy.

Bolidens Copper has as its chairman and president Sven Schwartz. Schwartz is a director of three of the firms which own Lamco through the Liberian Iron Ore Co. In April of 1961, the U.N. suddenly hired Schwartz to make a mineral survey of the Congo, even though the Belgians had already done this work thoroughly. He was assisted by Borg Hjortzberg-Nordlund, vice president and director of Grangesberg, and a director of Lamco. The final report suggested that Union Minière should be nationalized. In the chaotic and incompetent Congolese Government, nationalization would be stagnation.

The president and director of Grangesberg, Erland Waldenstrom, is also a director of Liberian Iron Ore. And yet another director and a heavy investor in Grangesberg is Bo Hammarskjöld, whose legal talents have dominated the company's operations. Bo Hammarskjöld is also rumored to be connected with the Anaconda copper corpora-

tion in the United States, and with major U.S. banking interests.

The most curious figure of all is Sture Linner, who was formerly executive vice president and general manager of Lamco. He resigned this position as of April 15, 1960, announcing that he would remain as a consultant until July 15. In May he went to the Congo to conduct a mining survey as a director for Grangesberg. In the second week of July, the Congo was celebrating its independence with anarchy and disorder, and the U.N. hurried to the rescue. On July 15, Dag Hammarskjöld appointed Linner to serve as U.N. Chief Representative in the Congo, even though Linner was a director of his brother's mining firm. It was the same day that Linner left the payroll of Lamco.

It is not necessary to recapitulate the history of recent events in the Congo. From the beginning, it has been evident that immense pressures were being exerted to bring rich Katanga under the Congo's control. The entire strategy of the U.N. has been directed toward this end, in flagrant violation of the Charter provision prohibiting interference in the internal affairs of any State.

ROLE OF THE U.N.

Now it appears that the same officials who have directed affairs of the Swedish-American cartel are directing a U.N. policy which will put Union Minière into a state of suspended animation. With the advent of Congo peace, U Thant has called upon U.N. members to join in a new move to blackmail Tshombe. He calls for an economic blockade of Katanga, a policy which curiously falls more heavily on Union Minière than on Tshombe. U Thant is also on record, joined by the U.S. State Department, for advocating armed U.N. "tax collectors" to force payment of taxes to Adoula's government.

And in Northern Rhodesia, as rich as Katanga in copper mines owned by British and South African investors, the Swedes have been amazingly busy supporting the radical black politics of Kenneth Kuanda against Sir Roy Welensky, Tshombe's stout friend and neighbor. No other Western country will look at Kuanda, but a syndicate of leading Swedish politicians and newspaper editors has collected thousands of dollars to support his fanatic nationalism in a public campaign throughout Sweden. Kuanda hopes to run all the whites out of Northern Rhodesia and nationalize the mines. Rhodesia and Katanga control about a quarter of the world copper market.

The coincidences are a little too neat when men put down the cudgels of self-interest and immediately use the more subtle tools of public policy to turn events in the same direction. Gullibility, doctrinaire anti-colonialism, and a desire to please the Afro-Asian nations doubtless have smoothed the way for the U.S.'s strange anti-Western Congo policy. Yet, whatever the further extent of their actions, George Ball and Fowler Hamilton are already deep in positions of trust. And the more quickly all the facts of this fantastic affair can be put on the public record, the better. A congressional investigation is in order.

EXHIBIT 2

CONFLICT OF INTEREST

Digging into records of the Securities and Exchange Commission, Representative DONALD C. BRUCE, Republican, of Indiana, has charged that high officials of the U.S. Government and of the United Nations are connected with a Swedish-American mining syndicate having interests in Africa.

Representative BRUCE says this syndicate has used its contacts with the U.S. Government and the U.N. to eliminate copper production in Katanga Province of the Congo, thereby raising the price of copper on the world market. Ambition to make money may be back of the eagerness of some United States and U.N. officials to crush Katanga.

Representative BRUCE has developed what may be the biggest case of conflict of interest in the modern history of the United States. The Richmond News Leader has called for a congressional investigation. We second the motion.

Mr. MANSFIELD. Mr. President, is there further morning business?

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

PUBLIC WORKS APPROPRIATIONS, 1963

Mr. MANSFIELD. Mr. President, I move that the civil functions appropriation bill be laid before the Senate and be made the pending business.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes, which had been reported from the Committee on Appropriations with amendments.

MEETING AT 10 A.M. TUESDAY TO BRIEF DELEGATION TO INTER- PARLIAMENTARY UNION MEET- ING AT BRASILIA

Mr. ROBERTSON. Mr. President, at 10 o'clock next Tuesday morning, in the Old Supreme Court Chamber, between the Senate Chamber and the Hall of the House of Representatives, there will be a meeting of the U.S. delegation to the Interparliamentary Union, which will meet next month at Brasilia.

At the meeting next Tuesday, members of the delegation will be given instructions concerning the details of the trip, and also will be briefed by a representative of the State Department concerning Latin American problems, and especially the serious problem in Cuba. I hope all who have been selected to go to Latin America on this trip will be present next Tuesday morning, at 10 o'clock.

THE SITUATION IN MISSISSIPPI

Mr. LAUSCHE. Mr. President, the situation in Mississippi has caused great distress to people throughout the country. The point has been reached where there must be a determination as to whether law and order will prevail.

In my judgment, all that we stand for, the letter and the spirit of the Constitution, will fall by the wayside unless in our country the course that law and order must be supreme is always followed. Without it, we reduce ourselves to anarchy; without it, we remove from our Government the attribute about which we so frequently speak—that ours is a government of laws, not a government of men.

My associates from Mississippi on this floor of course have spoken on this matter. However, I would not be true to myself unless I repeated today on the floor of the Senate what I have spoken of since my youth, emphasized while I was a judge, proclaimed while I was Governor, and always faithfully abided by as a citizen: I merely wish to repeat that we cannot afford to have the laws set aside and the judgments of individual men prevail over and above the sanctity and the sovereignty of the laws.

The people of our Nation expect that our Government will take the needed action to compel obedience to law, regardless of the position of those who disobey.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

The ACTING PRESIDENT pro tempore. The bill is open to amendment.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, may I suggest to the attachés of the Senate that they call Senators and ask them, if it is not too inconvenient for them, to be in the Chamber so we can get started on the pending measure.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of executive business for the consideration of nominations on the Executive Calendar.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGES REFERRED

The ACTING PRESIDENT pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

The ACTING PRESIDENT pro tempore. If there be no reports of committees, the nominations on the Executive Calendar will be stated.

COLLECTOR OF CUSTOMS

The Chief Clerk read the nomination of John Neil McCardell, of Maryland, to be a collector of customs.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

COMPTROLLER OF CUSTOMS

The Chief Clerk read the nomination of Edward F. O'Malley, of Maryland, to be a comptroller of customs.

UNJUSTIFIED BLOCKING OF JOHN GREEN NOMINATION

Mr. PROXMIRE. Mr. President, reserving the right to object—and I do not object—I have no objection whatever to the nomination either of Mr. McCardell or of Mr. O'Malley, but I invite attention to the fact that the junior Senator from Wisconsin finds himself placed in an extremely embarrassing and difficult position. The fact is, that in March of this year President Kennedy nominated for Collector of Customs in the Superior, Wisconsin-Duluth, Minn., area a very able, well qualified Wisconsin man named John Green. The nomination was held up in the Finance Committee because of the objection of my distinguished senior colleague. Hearings were held on June 13 on the nomination of John Green. At that time the distinguished senior Senator from Wisconsin said he had no personal objections whatever to Mr. Green. He agreed that Mr. Green had good qualifications for the office, but he was opposing him because the very able Representative from the Ninth District of Wisconsin had allegedly acted to oppose appointments of eight postmasters in the Ninth District of Wisconsin in 1960.

As I say, the senior Senator from Wisconsin did not raise the issue of personal obnoxiousness. He simply said he was opposed on the ground that he had been done a discourtesy by a Democratic Representative from Wisconsin. The Democratic Representative from Wisconsin is not in the same district as the Superior-Duluth port, and has no connection whatsoever with this appointment of John Green.

I discussed this subject with a number of members of the Finance Committee, including the chairman. They agreed there was no real ground for opposing the nomination of John Green to be collector of customs. Yet, this nomination has been held up since March and since the hearings on June 13.

All members of the Finance Committee except one member—and I have contacted virtually all the members—have indicated that they have no interest in holding up the nomination. So we have a situation in which a man is qualified for the appointment, who all members of the committee agree is qualified, to whom no member has any objection; a situation in which the President has shown no discourtesy, and there are no grounds for invoking the ground of senatorial courtesy, and yet the consideration of the nomination is blocked.

The junior Senator from Wisconsin does not believe in retaliation. I am

really not disposed to object to nominations for collectors of customs or other appointments at this particular time, but I am put in a position where a nomination is merited, which the President has made in good conscience, and which should be approved. I feel that I must give serious consideration—and I give notice that I am giving serious consideration—to blocking all nominations on the executive calendar unless members of the Finance Committee will at least take some action on the nomination to which I have referred.

I would have no objection if the Finance Committee would meet and vote Mr. Green down. I assume, on the basis of what I have heard, that they would vote overwhelmingly for his approval and that his nomination would be almost unanimously approved by the Senate. If they wanted to take positive action, there would be no basis for my complaint. However, it is clear that, in the closing days of the session, one Senator can, if he wishes, oppose with some force all nominations. He can object to unanimous-consent agreements to consider nominations, if that is required, or he can speak at length on the nominations.

As I say, I will do so only as a last resort. I will do everything I can to avoid retaliation. I hope the leadership of the Senate and the members of the Finance Committee will give serious consideration to this nomination, because it is merited and there really are no valid objections.

COMPTROLLER OF CUSTOMS

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the confirmation of the nomination of Edward F. O'Malley, of Maryland, to be a comptroller of customs?

Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, the President will be notified forthwith.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year

ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, it is my understanding that a major amendment is to be offered by the distinguished acting minority leader, the Senator from Nebraska [Mr. HRUSKA], relative to the amount to be allowed for public works—

Mr. HRUSKA. Accelerated public works.

Mr. MANSFIELD. The accelerated public works program. I have discussed the matter with several interested Senators, but not all. I should have discussed it with one Senator whom I am glad to see in the Chamber in his role of watchdog.

I should like to ask to propound a unanimous-consent request that when that amendment is offered there be a time limitation of 2 hours, 1 hour to be under the control of the Senator from Nebraska [Mr. HRUSKA] and the other under the control of the Senator from Louisiana [Mr. ELLENDER].

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. PROXMIRE. Mr. President, is this a time limitation on the—

Mr. MANSFIELD. Not on the amendment in which the Senator from Wisconsin is interested.

Mr. PROXMIRE. And not on the rest of the bill?

Mr. MANSFIELD. The amendment the Senator from Wisconsin is going to offer is absolutely excluded.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. HRUSKA. Mr. President, reserving the right to object, and I shall not object, may I ask the majority leader, if it is understood that there will be a request for a yea and nay vote?

Mr. MANSFIELD. There will be.

Mr. HRUSKA. And if, for any reason, it is not reached today, it will be taken up on Monday, at which time there will be an additional half hour, to be equally divided, for the purpose of discussing and summarizing the arguments for and against the amendment?

Mr. MANSFIELD. The acting minority leader has stated the situation precisely and exactly.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The legislative clerk proceeded to call the roll.

Mr. ELLENDER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DISTORTION OF "OLE MISS" INCIDENT

Mr. ELLENDER. Mr. President, in a few days this body will consider a bill to appropriate many millions of dollars to our U.S. Information Agency. Each year this Agency spends a great deal of money in the dissemination of newspa-

pers, magazines, and periodicals from the United States into countries throughout the world, with the idea of bringing to those countries a true picture of life in the greatest nation on the globe.

Unhappily, each year our Information Agency is compelled to spend additional millions in an effort to counteract the distorted image of our way of life created by the national press of this country, through exaggerated news stories and comment about happenings here.

The situation in Mississippi at the present time provides an excellent case in point. The attention that is being directed by the press, radio, and television to the Ole Miss incident is all out of proportion to its value as news.

In fact, the exaggerated publicity being focused on Governor Barnett and the University of Mississippi will, in my opinion, do our country a great deal of harm both here and abroad. The damage to our prestige and the image we have tried to create throughout the world will far outweigh any alleged gains which might accrue to the cause of the integrationists as a result of such publicity.

What will it profit those who serve the cause of integration to gain their end if in the process they bring great harm to our Nation? Will they continue to press for their goal, notwithstanding the serious adverse effect on our Nation?

Mr. President, I am in full sympathy with Gov. Ross Barnett, and with his aims, but the Governor is in a very difficult position. He is doing his utmost to fulfill his campaign pledges and the will of the people of his State. If he is threatened with arrest, then the vast majority of his constituents must be threatened with arrest as well.

I am most disappointed to note that this administration is threatening the use of troops to make it possible for one Negro to be enrolled in an all-white college in Mississippi. Should that course be followed, I fear there will be bloodshed, and the blame must then be placed at the doorstep of the White House.

This Negro, I understand, has had better offers at other schools, but he would not accept any of them. His idea is to enroll in a strictly white school, and it strikes me that his motives should be closely scrutinized.

What are those motives? I do not believe that this Negro is acting on his own. It is my view that he is being urged and motivated by forces far from Mississippi—in New York, in Chicago, and quite probably by forces here in the Nation's Capital. The judges of the Fifth Circuit Court of Appeals might well have taken those factors into consideration before rendering their decision.

The administration should under no circumstances send soldiers down to Mississippi to try to force the enrollment of Meredith on the University of Mississippi.

Last night on the program "Eyewitness," Charles Collingwood closed the program with a comment to the effect that the pattern of life in the South will not be changed by "legalisms." In this statement Mr. Collingwood is eminently correct. No more will the pattern of life

in the South be changed by force, Mr. President. Those responsible should realize that fact. We do not need social upheavals at this critical time in our Nation's history. Instead we need unity. All those concerned in this unfortunate affair should take note of this, and the administration would do well to cease its divisive tactics in seeking to solve a social problem through the use of force. The South will not integrate through the use of force, and I dread the consequences that will follow in the wake of any attempt to attain that goal by the sword.

TURKS HALT SHIPPING TO CUBA

Mr. HUMPHREY. Mr. President, I was pleased to see in the press of September 28 that the Turkish Government has effectively discouraged the use of Turkish ships to carry Soviet cargoes to Cuba. Turkish shipowners complied with their Government's request to halt this trade, and Turkey thereby became the first NATO country to take decisive action in accordance with the stated wishes of President Kennedy and the State Department.

Turkey throughout its history has felt the hot breath of the Russian bear. She has had a fine record of resistance to Communist aggression and territorial ambitions. Her soldiers fought side by side with ours in Korea. They were noted for their courage and their fighting ability. Despite—or even because of—her exposed position on the frontier of the Soviet Union, Turkey has always been in the front rank of our NATO partners. Her present action follows in this proud tradition.

Certain aspects of the Turkish action struck me with particular force. First of all, the Turkish Government reportedly requested—but did not demand—a halt in the transshipment of cargoes to Cuba. No compulsion was exerted. Secondly, this request was freely honored by the private shipowners—people whose counterparts in other countries have too often put profits before principle, and have put their personal desires before the commitments of an alliance.

A key factor in the Turkish situation was the notably strong and effective representations of the U.S. Government, transmitted by our capable Ambassador in Ankara, Mr. Raymond A. Hare. Ambassador Hare was formerly Deputy Under Secretary of State for Political Affairs in Washington, and also, of course, he was our Ambassador to the United Arab Republic in Cairo. He has an outstanding record of winning the confidence of the political leadership in the countries to which he is accredited. I salute Ambassador Hare for the skillful and successful conduct of his mission.

This is not to say, Mr. President, that the State Department has not made equally strong representations to NATO Allies whose ships have carried the bulk of the cargoes that are turning up in Havana Harbor. Some of our NATO friends, however, have remonstrated, first, that Cuba is primarily an American problem; and, second, that they have no authority to interfere with the pri-

vate contracts entered into by their nationals. The ready cooperation of the Turks shows up the hollowness of these arguments. Not only the Turkish Government but also private Turkish citizens and merchants perceive the global significance of Communist encroachments in the Caribbean.

If our friends in Turkey can see matters so clearly, it should not be insuperably difficult to bring the same clarity of vision to our friends elsewhere. Again I call on the State Department to press forward with its diplomatic efforts to isolate Castro commercially as well as ideologically. The times may require short-term sacrifices of profit, but these are premium payments on an insurance policy of long-range protection for the free world.

I ask unanimous consent that the article to which I have referred be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SHIPPING TO CUBA HALTED BY TURKS AT URGING OF UNITED STATES—PRIVATE OWNERS ACCEDE TO ANKARA'S WISH ON HEARING OF AMERICAN ATTITUDE—ACTION IS FIRST IN NATO—10 VESSELS ARE INTERCEPTED EN ROUTE—TYPES OF CARGO INVOLVED NOT DISCLOSED

(By Sam Pope Brewer)

UNITED NATIONS, N.Y., September 27.—Turkish shipowners have halted all cargo movements to Cuba in their vessels.

The action was taken because of U.S. complaints that members of the North Atlantic Treaty Organization were aiding Soviet infiltration by allowing cargoes to go to Cuba in their ships.

Turkey's Foreign Minister Meridun C. Erkin confirmed the action today. He said it had been made on his recommendation after he had discovered the strength of the U.S. resentment.

He stressed, however, that the action had been taken by the Turkish shipowners at the request of the Government and not on Government orders. He said the Turkish Government did not claim the power to ban such trade but the shipowners had willingly cooperated.

Mr. Erkin said he did not know how many Turkish ships had been involved in trade with Cuba, but that about 10 had been intercepted and ordered to transship their cargoes instead of continuing to Cuba.

He said he had no information on the nature of the cargoes concerned. According to information here, the ships were trading between Soviet ports on the Black Sea and Cuba.

U.S. ENVOY CALLS ON HIM

The Turkish Minister said that early this month the U.S. Ambassador in Ankara, Raymond A. Hare, called on the Turkish Government and asked that shipments to Cuba be forbidden.

President Kennedy called attention to the problem in his news conference September 13.

He said: "Our friends in NATO must realize the implications of their ships' engaging in the Cuba trade."

Government sources pointed out then that even if the ships were not carrying arms or military supplies, they were freeing other vessels for such cargoes.

Turkey is the first NATO country to take official action to halt trade to Cuba in view of the President's statement.

Of the U.S. allies, Britain is reported to have the largest share of the Cuban shipments.

WEST'S SHIPS MAJOR CARRIER

(By Max Frankel)

The merchant ships of nations allied with the United States have been the major carriers of oil and other important cargoes to Cuba in the last year.

This fact, reported by reliable U.S. sources, is said to explain the persistent effort being made in New York by Secretary Rusk and by his aides throughout the world to obtain more cooperation in the campaign to inflict economic hardship upon the regime of Premier Castro.

Accurate estimates of the merchant traffic to Cuba have been difficult to obtain. The ownership and control of merchant vessels are not always clearly established.

ESTIMATES MADE OF TRAFFIC

But Secretary Rusk is believed to be working with reports and estimates that convey the following picture:

Merchant vessels made slightly more than 1,000 calls at Cuban ports between January 1 and September 1 this year. Ships owned by Communist-bloc nations made 275 of these calls. About 250 calls were by vessels of non-Communist nations under charter to the Soviet bloc; nearly 500 calls were by vessels operated as well as owned by non-Communist shippers.

In the same period, tankers from non-Communist nations carried about 56 percent of the Soviet oil on which Cuba depends. Non-Communist vessels also carried about 80 percent of the dry cargoes received by Cuba.

Almost none of the non-Communist vessels, however, carried arms or other implements of war. The ships of some Western allies have also increasingly shied away from so-called strategic goods—machine tools, important industrial items and spare parts.

FIFTY CHARTERED BY REDS

At the moment, nearly 50 vessels from non-Communist nations remain under charter to the Soviet bloc for the Cuban trade. The number has declined somewhat over recent months. Many of the charters are due to expire in the coming weeks and U.S. officials are trying to prevent renewals.

The most "substantial" number of the vessels calling at Cuban ports are British-owned. Norway, Greece, Italy, and other maritime nations among the Western Allies and neutrals like Sweden are also represented.

Only a few Canadian ships have called at Cuban ports recently and most of these are said to have been chartered or transferred in a way that left their owners little control. Fewer than 20 of the vessels that have stopped in Cuba this year were from Latin American nations.

No U.S. ships are believed to have been involved in Cuban traffic in any way in recent months.

SEEK TO CAUSE STRAIN

Secretary Rusk and his advisers feel that if they can stop most of this traffic they will impose a considerable strain on the merchant marines of Communist countries. They do not doubt Moscow's ability to convey the goods it wishes, but they hope that the strain would involve annoying diversions from other assignments.

They hope also that interference with this traffic would further complicate economic planning and management in Cuba. Finally, they believe it would be a useful political indication of support for U.S. nonviolent efforts.

PROPOSAL FOR A CARIBBEAN ALLIANCE

Mr. HUMPHREY. Mr. President, another development that I believe is equally significant, relating to our situation in the Caribbean, has occurred. I

would like to commend the statement on September 27 by President Orlich, of Costa Rica, who said that his country would be delighted to be host to a conference of Caribbean countries to discuss the formation of a military alliance against Cuba by the Caribbean neighbors. I think that is particularly significant because Costa Rica is known for its programs of peace, good neighborly policies, and as one of the outstanding democracies in the Latin America area.

President Orlich's remarks follow a recent proposal by the Panama's Minister of Finance for a Caribbean military alliance. I understand that the formation of such an alliance has been given serious consideration by the U.S. Department of State, and that it may be one of the chief topics of conversation between Secretary Rusk and the hemispheric foreign ministers in New York next week.

I welcome the initiative of President Orlich and Costa Rica. In one way or another we should take advantage of the determination of our Caribbean friends to mount a collective counterattack against Communist aggression. It would be preferable if the entire Organization of American States could mobilize its energies for this purpose. If that is impossible, however, the next best thing is for the countries most directly concerned to coordinate their response. Wide multilateral consultation is a fine thing. But it must never be an excuse for inaction.

In my speech to the Senate on September 11, I noted that "we have friends in the Caribbean who are willing to stand up and to be counted." At that time I singled out Venezuela and Colombia as countries which do not intend to see the spread of Castro communism and his movement within their borders. It is a pleasure to add Panama and Costa Rica to this list. But even with these additions the list is surely not exhaustive. How can any responsible citizen of the Western Hemisphere look on with indifference while the independence of a neighboring country is either undermined or actively suppressed?

Because of the magnitude of the threat to the hemisphere, I called on September 11 for the establishment of a hemispheric police force responsible to the Organization of American States. Some arrangement along these lines is definitely called for. It is not a proposal which should be killed in committee or strangled by time consuming and futile attempts to secure a majority. The countries which are prepared to act should be given the opportunity to take whatever action may be required under the circumstances.

I ask unanimous consent to have printed in the RECORD at this point an article published in the New York Times of September 28, 1962, dealing with this subject.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COSTA RICA'S PRESIDENT SEEKS MILITARY ALLIANCE AGAINST CUBA—OFFERS TO BE HOST TO PARLEY TO FORM CARIBBEAN PACT PATTERNED ON NATO

(By Paul P. Kennedy)

SAN JOSE, COSTA RICA, September 27.—Costa Rica would be delighted to be host to a conference of Caribbean countries to discuss the formation of a military alliance against Cuba, President Francisco J. Orlich Bolmarcich said today.

The President said he would be particularly interested in the formation of an alliance patterned on the North Atlantic Treaty Organization in which Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, Colombia, and Venezuela would participate.

Mr. Orlich declared that this combination of states played an important role at the American Foreign Ministers' Conference at Punta Del Este, Uruguay, last January, where it was decided to exclude Cuba from inter-American activities.

In addition, the President voiced his belief that Costa Rica had played a vital role for the United States at the parley.

CONFERENCE SAVED

"We saved the Conference for the United States by making it easier for the United States to have an understanding with Central America, Venezuela, and Colombia," he said.

A proposal for a Caribbean alliance patterned on NATO was put forward recently by Gilberto Arias, the Finance Minister of Panama. The proposal is reported here to have been viewed sympathetically by the United States. Mr. Arias mentioned as possible members the Dominican Republic, and Haiti as well as Central American and northern South American states.

President Orlich said he had had only press reports from the United Nations about talks Daniel Oduber Quiros, Costa Rica's Foreign Minister, had yesterday with Secretary of State Dean Rusk. Mr. Orlich said he had not received an official report from Mr. Oduber.

The President indicated that it was premature to discuss how Costa Rica, one of the few Latin American countries without an army, could contribute to a military alliance against Cuba. In World War II, however, Costa Rica played an active role. She was the first country to declare war on Japan following Pearl Harbor, doing so even before the United States.

BASE WAS PROVIDED

In addition, she provided a base for a task force to combat enemy activity and furnished harbor facilities for Allied antisubmarine-warfare units.

President Orlich, finishing his first 4 months in office, had been harassed by fiscal problems, which has been becoming increasingly serious since 1956.

He said that he hoped that a loan of \$10 million to \$15 million could be arranged shortly with the United States. The loan has been under discussion for several weeks.

THE SITUATION IN MISSISSIPPI

Mr. MORSE. Mr. President, I read to the Senate a UPI ticker dispatch, as follows:

DALLAS.—Former Maj. Gen. Edwin A. Walker, who commanded Federal troops during the Little Rock school integration crisis in 1957, said yesterday he had no fear of violence in Mississippi and "I certainly advocate no violence."

Walker said thousands of Americans are ready to join him to speak and defend the sovereignty of the State of Mississippi. He said he will go directly to Mississippi to stand by Governor Barnett if Federal troops are sent into the State to enroll Negro James Meredith at the University of Mississippi.

Walker, who resigned from the Army and became a spokesman for conservative causes, said a statement from Washington that he could be held in contempt of court if he interfered in Mississippi was "unusual, shocking, and amazing."

"The most important thing today is unity of the United States and this (the integration dispute) is not accomplishing unity," Walker said.

"I was against the principle of forced integration in Little Rock, and I am against it now," he said. "The whole Army made it fully known that they had no desire to take part in that issue."

Walker, who said he could see little difference in use of U.S. marshals or Federal troops to force integration in Mississippi, did not say what his plans would be if marshals were sent to challenge Barnett.

"I intend to go to Mississippi if and when they use Federal troops," he said.

"Lots of people are not waiting for me," Walker said. "They're already going to Mississippi from California to Carolina."

MOBILE, ALA.—A 200-man contingent of Alabama volunteers, carrying arms and ammunition, was scheduled to leave today to help Gov. Ross Barnett keep a Negro out of the University of Mississippi.

A spokesman for the newly formed Citizens for Preservation of Democracy (CPD) said the men would leave here at 11 a.m. EDT, apparently by bus or truck.

Once in Mississippi, the men hoped to join former Maj. Gen. Edwin A. Walker, who has promised to lead a conservative crusade protesting any use of Federal troops to enforce integration at the University of Mississippi.

The CPD spokesman, who refused to be identified, said the group had conferred with the head of the Mississippi Highway Patrol and with a member of Lt. Gov. Paul Johnson's staff before planning the move.

I wish to make only brief comment on this shocking story. I am confident that the overwhelming majority of the citizens of Mississippi recognize the importance of maintaining government by law, and that the Constitution of the United States is, after all, the supreme law of the land.

The kind of reaction portrayed by this news dispatch on the part of some people, who have apparently suffered a lapse of good judgment, displays a silly performance on their part. Nevertheless, it is serious, and will take on in the world the coloring of the threat of rebellion. It will feed the flames of Communist propaganda.

I hope that the wise and patriotic people of Mississippi make clear to their State government officials and to meddlers advocating rebellion from outside the State that there is no room anywhere in this country, including Mississippi, for any action that takes on the color of rebellion. People who seek to lead any armed contingent into rebellion against the United States will have to be dealt with, by the use of whatever forces

are necessary to maintain government by law in this country. Such Fascist-minded ex-generals as Mr. Walker must be held to an accounting for the kind of subversive activity which he apparently is engaging in when he gives the impression that he is willing to lead a contingent of people, armed, against the American flag.

I say to all those people in Mississippi, who are seeking to place their unpatriotic conception of law above the Constitution of the United States, that the flag standing behind the chair of the Presiding Officer will prevail anywhere in this country, when any group starts talking in terms of direct action against that flag. When any group loses its head to the degree that this UPI story shows that this group is losing its head and is acting as though they can lead a rebellion against the American flag, they must be dealt with by the use of whatever enforcement power is necessary to preserve the Constitution and all it stands for in this Government of ours by law instead of by men.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. ELLENDER. Mr. President, I regret that again this year, the public works appropriation bill is being considered at the tail end of the session.

I do not believe it is necessary for me to give a lengthy explanation of the bill. The report on it is on the desks of Senators, and I believe it quite clearly sets forth the action of the committee.

Except with respect to title IV, I believe the bill is noncontroversial. I expect that amendments will be offered to both increase and decrease the amounts recommended for the public works acceleration program. Frankly, the committee recommendation is a compromise. Some members desired a lower figure, others felt that a larger amount should be provided. In a moment I will ask that the committee amendments be adopted en bloc and that the bill as thus amended be considered as original text, so that the Senate will have ample opportunity to work its will on the bill, and title IV in particular.

Mr. President, I ask unanimous consent that the committee amendments be agreed to en bloc; that the bill as thus amended be regarded, for purposes of amendment, as original text; and that no point of order shall be considered to have been waived by reason of agreement to this request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are, as follows:

On page 3, line 19, after the word "construction", to strike out "\$16,561,900" and insert "\$19,192,300".

On page 4, line 12, after the word "construction", to strike out "\$762,361,000" and insert "\$807,962,500".

On page 6, at the beginning of line 9, to strike out "\$70,500,000" and insert "\$75,954,000", and in line 10, after the word "expended", to insert a colon and "Provided, That funds herein appropriated for planning on Cache River, Arkansas, shall be used to the extent necessary to study the effect of the project on agricultural lands along the lower Cache River and along the White River downstream from the confluence to determine whether additional protection should be provided for these lands in connection with the Cache River project and for preparation and submission of a report thereon to the Appropriation Committees."

On page 11, at the beginning of line 14, to strike out "\$7,100,000" and insert "\$9,420,000", and in the same line, after the word "which", to strike out "\$5,610,000" and insert "\$8,030,000".

On page 12, line 8, after the word "expended", to strike out "\$153,077,000" and insert "\$160,361,000".

On page 13, line 2, after the word "law", to strike out "\$38,150,000" and insert "\$36,444,600".

On page 13, line 20, after the word "program", to strike out "\$10,173,000" and insert "\$12,517,000".

On page 14, line 12, after the word "expended", to strike out "\$106,508,000" and insert "\$109,576,000"; in line 13, after the word "which", to strike out "\$103,276,000" and insert "\$105,576,000"; and in line 15, after the word "and", to strike out "\$3,232,000" and insert "\$4,000,000".

On page 19, after line 4, to insert:

"After September 30, 1962, the position of Commissioner of Reclamation shall have the annual rate of compensation as provided for positions listed in section 2205(a) of title 5, United States Code, so long as held by the present incumbent."

On page 23, line 16, after the word "vehicles", to strike out "\$2,860,974,000" and insert "\$2,885,391,000".

On page 25, line 3, after the word "vehicles", to strike out "\$261,845,000" and insert "\$267,895,000", and in line 4, after the word "exceed", to strike out "\$4,500,000" and insert "\$9,000,000".

On page 27, line 14, after the word "exceed", to strike out "\$425,000" and insert "\$414,000".

On page 29, line 7, after "December 31", to strike out "1962" and insert "1963".

On page 29, after line 12, to insert:

"TITLE IV

"FUNDS APPROPRIATED TO THE PRESIDENT

"Public works acceleration

"For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed \$75 per diem, \$500,000,000, to remain available until expended."

On page 30, line 1, to change the title number from "IV" to "V", and in line 3, to change the section number from "401" to "501".

On page 30, line 10, to change the section number from "402" to "502".

On page 31, line 18, to change the section number from "403" to "503".

On page 31, line 24, to change the section number from "404" to "504".

On page 32, line 4, to change the section number from "405" to "505".

On page 32, line 15, to change the section number from "406" to "506".

On page 33, line 5, to change the section number from "407" to "507".

Mr. ELLENDER. Mr. President, as is customary, the Subcommittee on Public Works divided itself into three subcommittees for the consideration of the pending bill. The portion of the public works appropriation bill dealing with reclamation and the power marketing agencies of the Department of the Interior was handled by my good and able friend, the distinguished senior Senator from Arizona [Mr. HAYDEN], who is also the chairman of the Committee on Appropriations. The portion of the bill covering the Atomic Energy Commission and the Tennessee Valley Authority was handled by my good friend, the distinguished senior Senator from Alabama [Mr. HILL]. I handled the portion dealing with the civil functions of the Department of the Army and the Public Works Acceleration Act.

The hearings on this bill started on March 27, and continued through September 21, 1962. The subcommittee held 47 sessions for the purpose of taking testimony, and 4 executive sessions for the purpose of marking up the bill. The subcommittee heard 1,129 witnesses, which included representatives of various organizations; 872 of the witnesses appeared before the subcommittee dealing with civil functions, all but 24 of the remaining witnesses appeared before the subcommittee headed by the Senator from Arizona. The hearings comprise 5 volumes, which contain 4,252 pages of testimony. Senators may observe them on their desks. They constitute an extremely high stack.

Mr. President, with respect to title I, before marking up the civil functions portion of this bill, I reviewed every project that was presented to the subcommittee, budgeted or unbudgeted. I examined into every single request made of the subcommittee for planning or construction. After all the requests were made, I called the Engineers back to obtain their views on the projects presented to the subcommittee.

The purpose was to find out whether all the requests which were made by outsiders could be handled by the Corps of Engineers and whether the corps had the capability to undertake the projects submitted for consideration.

In order to balance the bill, and in order to take care of worthy areas not previously included in the bill, I recommended to the subcommittee the inclusion of a number of projects that had been requested by witnesses from all over the country, and by Members of both the Senate and House of Representatives. I hope that the Senate will agree to the recommendations of the Committee on Appropriations and that it will be possible to retain the majority of the projects in the conference with the House.

The House committee added 12 unbudgeted construction projects and 10 unbudgeted planning items. The House sent us a bill which on its face was under the budget, but in order to attain that goal the House reduced the budget for construction by \$23,861,000, of which \$20 million was a reduction for savings and slippage.

Restoration of the budget estimates accounts for \$23,861,000 of the \$45,601,500

increase recommended for construction, general.

The Senate committee recommended \$1,757,000 for 25 unbudgeted planning items and \$13,045,000 for 21 unbudgeted construction projects.

Title I

Cemeterial expenses.....		\$10,276,000
No change from House or budget.....		
General investigations.....		19,192,300
Budget.....		\$17,265,000
House.....		16,561,900
Reduced 9 items.....	-\$1,480,600	
Added 18 items.....	444,000	
Increased 10 items.....	333,500	
Senate.....		19,192,300
Restoration of House cut.....	740,000	
Senate increases.....	1,890,400	
Construction.....		807,962,500
Budget.....		780,645,000
New planning starts (56).....	4,824,000	
Now construction (37).....	32,879,000	
House.....		762,361,000
Now planning (10).....	1,223,000	
New construction (12).....	6,224,000	
Increases on 5 items.....	1,130,000	
Reductions in budget.....	-23,861,000	
Senate.....		807,962,500
Restorations of House cut.....	23,861,000	
Estimate not considered by House.....	3,000,000	
Increase in budget items (7).....	4,160,000	
New unbudgeted planning (27).....	2,007,000	
New unbudgeted construction (22).....	13,495,000	
Reductions for fallout shelters.....	-921,500	
Operation and maintenance.....		143,539,000
No change from House or budget.....		
General expenses.....		13,580,000
Same as House and \$20,000 below budget. Reduction for publication of a magazine.....		
Flood control, Mississippi River and tributaries.....		75,954,000
Budget.....		\$70,500,000
House.....		70,500,000
Senate increase, surveys.....	\$20,000	
planning.....	60,000	
(3) budget items.....	2,900,000	
(1) decrease:		
fallout shelter.....	-26,000	
maintenance.....	2,500,000	
St. Lawrence Joint Board of Engineers.....		20,000
No change from House or budget.....		

Mr. ELLENDER. You will note that the administration sent to Congress budget estimates for 56 new planning starts and 37 new construction starts. I commend the administration for taking such action, because it realizes that the projects are necessary and that at all times a sufficient number of such projects should be underway to keep this worthwhile program moving at an economical rate.

With respect to title II, the Senate committee increased the amount for general investigations by \$2,320,000. The Senate increase for construction and rehabilitation was \$7,284,000, of which \$5 million was restoration of a House cut in the item for slippage. The increase of \$2,344,000 for the loan program was based on budget estimates not considered by the House. For the upper Colorado River project the Senate increase was \$3,068,000, of which \$1,500,000 was restoration of a House reduction for slippage.

TITLE IV

The committee recommended \$500 million for the public works acceleration program. The witnesses who appeared before the committee stated that approximately \$200 million in Federal projects could be started—not expended in the first 3 months after the funds were made available; and in addition there is approximately \$95 million worth that could be applied to State and local projects, making a total of \$295 million but \$321 million according to the record. The committee approved \$500 million for these first 4 months and advised the administrators of this program to come back when they had a more definite pro-

I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

shows that it would require from 4 to 6 weeks to determine which projects will be selected under this program, until that determination is made no work can start on any project, irrespective of its present status.

The subcommittee felt that \$400 million would be sufficient; but after submission of the bill by the subcommittee to the full Committee on Appropriations, the amount was raised by the full committee from \$400 million to \$500 million. When I made my recommendations to the subcommittee, I was not quite satisfied with the figure I submitted. I had hoped that, in any event, the amount finally recommended would range between \$300 million and \$500 million. The majority of the members of the Committee on Appropriations decided to submit to the Senate a recommendation for an appropriation of \$500 million, in the hope that the Department of Commerce could proceed with the construction of many of these projects now. Then, in February or March of next year, depending on the capability and ability of each agency, they could then come back to the Congress and request the funds with which to proceed further with the program.

I am certain that Congress will provide the rest of the money that has been authorized, if at that time they can show a need for the funds. The remaining authorization amounts to about \$400 million.

I hope the Senate will concur in the amount provided in the bill, so that the Department of Commerce may have the \$500 million with which to initiate the program.

Mr. HRUSKA. Mr. President, the hearings on the Public Works Appropriations bill for 1963 extended over a period of about 6 months. They are recorded in the printed volumes which lie on the desk of each Senator and exceed 5,000 printed pages.

The Appropriations Committee has approved a total appropriation of \$5,211,271,400. This includes an allocation of \$500 million for the accelerated public works program. Without this last item the total amount approved is \$4,711,271,400 or \$97,463,500 over the House approved figure of \$4,613,807,900.

The total revised budget estimate, including moneys for the acceleration program, was \$5,651,751,000. The committee approved \$5,211,271,400 of this figure, or \$440,479,600 less than the amount requested.

With regard to the accelerated public works program, it must be said in all fairness that Public Law 87-658 had not ripened into law until after the House had acted on this bill. So the House could not very well have included any appropriations for that program in its version of this appropriation bill.

The bill consists of four titles. The first is for the Department of Defense, for civil functions. The second is for the Department of the Interior. The third is for certain independent offices. The fourth comprises appropriations to the President for the purposes of the Accelerated Public Works Act.

gram. The witnesses could not identify a single project that would be approved for inclusion in this program. They presented the committee with lists of public works projects which they considered eligible for allocations under this program. They pointed out, however, that many States and communities are not yet even aware of this legislation, much less have they been able to prepare project requests that might qualify under this Act. Accordingly, the witnesses cautioned that it should be clearly understood that these lists do not represent an approved program, nor could they give the committee any assurance that any individual projects would be approved.

Yesterday afternoon, after the committee reported the bill to the Senate, I again contacted the Department of Commerce to see if they could furnish me with the names of any projects that would be approved under this program. They informed me that they did not have anything more definite than what they furnished for the record.

Mr. President, I invite Senators to examine the record of the hearings held on the accelerated public works program which is included in the stack before them on their desks. It will be noted that quite a few examples of projects which could be constructed under this program were submitted to the committee. I feel confident that many of the projects, particularly public facility projects that have previously planned for construction by States, counties, and municipalities, are almost ready. It would not take long to place these projects under construction. The evidence

Titles I and II, particularly, provide appropriations for a great number of units and projects. In large measure, they apply to individual situations; therefore, they required a long process of careful, painstaking hearings, in order to gather all the data and statistics necessary.

I repeat what I said a year ago in regard to the corresponding appropriation bill and the work of the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER]: I have endless admiration and respect for his command of the area covered by this bill. During the hearings he consistently displays patience, fairness, and overall consideration. He acts not on an individual basis, not on a parochial basis, but on the basis of overall good. That is all the more remarkable when we consider the fact that in dealing with any appropriation bill of this kind we are faced with two problems: First, only a limited amount of money can be devoted to the purposes at hand; second, a series of priorities must be determined and applied to the many requests for funds, the sum total of which always exceeds the total amount available for appropriation.

We may differ as to the amounts which should be made available for the purposes at hand. I disagree with the total amount in the bill as it now stands. I think it is too large; I think it can be scaled down somewhat. But whatever the total amount finally voted—whether it is the amount set by the President and his Bureau of the Budget, or the amount preferred by the chairman of the appropriations subcommittee or the amount preferred by the full Appropriations Committee, under the chairmanship of the Senator from Arizona [Mr. HAYDEN]—it is necessary for the subcommittee, and then the full committee, and then this body, to determine priorities among the many applications for these funds.

Although the committee has recommended a larger amount than I would prefer, I expect to vote for passage of the bill. It provides for many necessary and vital projects in which the work must go forward.

There is one exception. I have lying at the desk and expect to offer in due time an amendment to title IV, which presently calls for appropriations of \$500 million. My amendment would reduce to \$300 million the total to be appropriated for the purposes of the Public Works Acceleration Act. This amendment will be debated later. At this time I shall not go into it in detail.

During the committee sessions, there was lengthy discussion as to whether this public-works appropriation bill is the proper vehicle for appropriations for the acceleration program. Many of the projects to be implemented under the acceleration program fall into categories and fields of activity which are not dealt with by the committee hearing this bill. For example, I refer to some of the appropriations for housing, community facilities, area redevelopment activities, and so forth.

In that connection, when we compare the amounts provided for in this bill

with previous appropriations or compare the amounts approved by the Senate committee with the amounts voted by the other body, we should always bear in mind that there is a very substantial item of half a billion dollars for purposes and projects which are somewhat alien to the bill, and ordinarily are handled separately by the subcommittee and by the full committee.

Again, I wish to express my gratitude and appreciation to the chairman of the subcommittee, the Senator from Louisiana [Mr. ELLENDER], for his excellent work and his very fine attitude. I make this expression, not only on behalf of myself, but also on behalf of all other Senators on this side of the aisle. This expression of thanks and appreciation also goes to the chairman of the full committee, the Senator from Arizona [Mr. HAYDEN].

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. HRUSKA. Mr. President, I have an amendment at the desk. I ask that it be read.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Nebraska will be read.

The LEGISLATIVE CLERK. On page 29, in lines 20 and 21, in the committee amendment, it is proposed to strike out "\$500,000,000", and to insert in lieu thereof "\$300,000,000."

The ACTING PRESIDENT pro tempore. Is this an amendment to which the time limitation applies?

Mr. HRUSKA. It is my understanding that when the amendment is called up for consideration, the time will begin to run.

Mr. MANSFIELD. Yes.

Mr. President, before I suggest the absence of a quorum, I should like to ask whether it will meet with the approval of the acting minority leader to have some of the time under the limitation used on this amendment, at that point.

Mr. HRUSKA. Certainly; and I am grateful for the forbearance of the majority leader.

Mr. MANSFIELD. Yes.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amount of time consumed in the calling of the quorum not be charged to the time allotted to the pending amendment.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ELLENDER. Mr. President, I yield myself 5 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Louisiana is recognized for 5 minutes.

Mr. ELLENDER. As I stated to the Senate only a few moments ago, the full Appropriations Committee of the Senate increased the amount for the public works acceleration program by \$100 million over the subcommittee recommendation—from \$400 million to \$500 million. As we all know, the authorization enacted by the Congress for this measure is \$900 million.

With respect to title I of this bill, and I am sure that all Senators are familiar with this, each individual project for which funds are requested must prove its own case for being allotted money. In other words, each project must be justified on its own merits. But, Mr. President, the public works acceleration program is in a different category from any program that has ever been considered by the Subcommittee on Public Works of the Committee on Appropriations. All we could obtain from the Department of Commerce officials, who, by the way, will coordinate this program, were examples of the types of programs that would be constructed under the law which was enacted. We were not given a detailed list of all the projects that would be constructed with a specific amount of money.

Department of Commerce officials also submitted to us a long list of projects that could be selected for construction such as sewers, waterlines, streets, and roads in various parts of the country, many of them in areas that would come within the purview of the act under which these funds were authorized.

As we all know, the Congress enacted this legislation to provide work in certain areas of the country where there was a substantial unemployment. Certain rules and regulations were written into that act providing conditions to be met before any community could obtain Government assistance. In many cases something in the nature of a partnership had to be created between the local communities and the Federal Government before any money was to be made available.

However under this accelerated Public Works Act the rules have been changed. The yardsticks have been changed, and in many instances, depending on the capability of the local community, the Government can provide grants as much as 75 percent of the total cost of a project. Portions of the program are more or less on a matching basis.

As I stated in my opening remarks, very few communities are familiar with all the provisions included in the act authorizing the \$900 million.

For that reason it will take time for the Department of Commerce and the other agencies participating in the program to be able to get projects ready for construction.

The evidence shows that within the next 4 to 6 weeks the projects can be selected and various Government agencies will be ready to proceed to initiate work on at least \$200 million of Federal projects in the next 3 months.

The evidence also shows that these projects come within the purview of the law and are located, necessarily, in areas in which there is substantial unemployment.

The same holds true, to a more limited extent, in respect to communities for which applications have been made in the past for the Community Facilities Administration for construction of water-lines, streets, sewers, and things of that kind. The amount of those projects, which we were told could be made ready within the next 3 to 4 months, aggregated about \$95 million, or a total of \$295 million, for the various Government agencies, particularly the Community Facilities Administration.

The ACTING PRESIDENT pro tempore. The time of the Senator from Louisiana has expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

The testimony showed that the Government is ready to proceed with projects aggregating in cost about \$321 million.

Mr. President, the committee felt it might be well, since the Government agencies were unable to specify the projects upon which the money would be spent, to appropriate considerably less than the whole amount provided in the authorization bill. Therefore, we decided to provide \$500 million. Although I, as chairman of the subcommittee, at first recommended \$400 million, it is my belief that \$500 million is not too large a sum.

I realize, as I am sure other Senators realize, that before the Federal Government can start construction on any of these projects, some time will be required.

It is my belief that if a good job is done—as I know it will be, because we have had assurance in that regard by the administrators of the program—an early start can be made. I feel confident that when the Congress meets in January, if the program has then progressed as well as many of us expect, the Department of Commerce will not hesitate to come before Congress to seek an additional sum, which could be available in a supplemental appropriations act.

Mr. President, I hope that the amount of \$500 million will be provided and that the Senate will vote favorably upon it. It is my belief that the administrators of the program will see to it that the projects come within the purview of the law because, if they do not, they will have to account to our committee when they come before Congress for more money early in January.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. Do I correctly understand that the House has made no appropriation whatsoever for this purpose?

Mr. ELLENDER. The Senator is correct. The reason is that the House had already held its hearings. The bill was sent to the Senate before the authorization for this program became law.

Mr. AIKEN. So if the Senate should provide \$500 million, when the bill goes to conference the final amount could be anything from zero to \$500 million?

Mr. ELLENDER. That is correct.

Mr. AIKEN. And probably will be.

Mr. ELLENDER. I am very hopeful that the House will not be adamant, as it can be at times, and will not insist on making the amount too small.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. ELLENDER. Mr. President, I yield myself 2 more minutes.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. ELLENDER. I yield.

Mr. AIKEN. In view of the fact that the House has not considered this particular provision, could the House provide more than \$500 million, and insist upon it?

Mr. ELLENDER. It is not usual, but I believe it could.

Mr. AIKEN. The House could accept the Senate amendment with a proposal to amend; is that correct?

Mr. ELLENDER. That is my opinion, since the House did not consider this item.

Mr. AIKEN. The House could make it \$700 million or \$800 million, or whatever it wished.

Mr. ELLENDER. Under the rules, when we are considering a measure wherein the amount to be provided is recommended to be \$500 million, ordinarily the highest figure is the limit used.

Mr. AIKEN. I know that is customary.

Mr. ELLENDER. We will go into that problem in conference.

Mr. AIKEN. The same situation would prevail if the Senate approved \$300 million. The House might propose to increase it.

Mr. ELLENDER. The House might increase it.

Mr. President, again I express the hope that the Senate will agree to provide \$500 million. I invite Senators to read the testimony we were able to obtain from Mr. Gudeman, Under Secretary of the Commerce Department. Senators will note that the committee was careful to have Mr. Gudeman testify that the law would be strictly followed. I believe, with that in mind, we need not fear that the money to be provided would be misspent.

Mr. MILLER. Mr. President—

The ACTING PRESIDENT pro tempore. The Senate is operating under controlled time.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Iowa.

The ACTING PRESIDENT pro tempore. The Senator from Iowa is recognized for 5 minutes.

Mr. MILLER. Mr. President, I submit an amendment which I send to the desk and ask to have printed and lie on the table.

The ACTING PRESIDENT pro tempore. The amendment will be received and printed, and will lie on the table.

Mr. MILLER. Mr. President, I hope that the amendment will be agreed to. I note from the report of the committee that the amount contained in the bill is \$1,270,315,420 in excess of the appropriations for the previous fiscal year. Of that, \$500 million is to be the amount for the so-called immediate action

public works program. By reducing the amount \$200 million, we would still be providing a billion dollars in excess of the amount spent on public works for the past fiscal year.

It seems to me that if there is validity in the idea that increasing public works spending programs will stimulate the economy and provide employment for our unemployed people, \$1 billion more than was provided in the past fiscal year should be more than ample.

Many economists and many who read the records of the 1930's have grave misgivings as to the validity of that premise. But granted the validity, I can see no reason why we should go over \$1 billion in excess of what we spent last year on an immediate action public works program.

Yesterday the Senate passed a bill that would increase the salaries and retirement benefits of our civil service employees. I pointed out in the debate on one of my amendments to the bill that at the rate we are going, it has been predicted by some civil service officials that the civil service retirement fund will become bankrupt by 1980 unless adequate methods of funding it are obtained. In the face of that fact, the Senate decided to increase the benefits without increasing the funding resources.

I do not know how much longer we can persist in unsound fiscal policies. Some people blame the executive branch of the Government for such policies. But anyone who knows the operations of the Federal Government knows that the ultimate responsibility for such appropriations rests, not in the executive branch, but in the legislative branch of the Government. While some criticism can be leveled at the administration for failing to give appropriate guidance and recommendations to the legislative branch of the Government, the responsibility is still ours, and we have not been fulfilling it.

How can we continue to increase the amounts requested by the President in his budget in the face of estimates of greatly reduced revenue, and predictions of an unbalanced budget to the extent of \$5 to \$10 billion for the current fiscal year? It does not add up to the exercise of the responsibility to the American people that I believe the Senate should exert. It does no good to pump more money into the economy if the purchasing power of that money is diluted because of continued big deficits and the inflation that inevitably results from it.

Statements by certain administration economists to the contrary notwithstanding, we have been in a period of inflation. Granted, it has not been great. The fact still remains that in the first 18 months of the present Congress we have seen the purchasing power of bonds and savings accounts throughout the United States diluted by approximately \$4.5 billion. That is the result of the increase in the cost-of-living index issued by the Bureau of Labor Statistics. This is the worst tax of all, for it saps the purchasing power of many of our people who have invested and saved it.

A continued irresponsible type of legislating, in the face of predictions from even the chairman of the Senate Committee on Finance of a budget deficit of from \$5 to \$12 billion for the current fiscal year, is inexcusable.

I commend the Senator from Nebraska for his amendment. If I could, I would vote to eliminate the entire title because even then, if the title were eliminated, we would be \$700 million over what we spent on public works programs last year.

I hope the amendment will be supported.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from North Dakota.

Mr. YOUNG of North Dakota. Mr. President, I support the amendment offered by the Senator from Nebraska [Mr. HRUSKA], which would reduce the appropriation to \$300 million; \$300 million would be ample to take care of the program until Congress convenes again. The amount would probably be more than needed.

So far there has been no justification for any of the proposed projects. The agencies of the Government cannot point to a single project which is ready to proceed. All other Federal projects must be justified by the Bureau of the Budget and the various committees of Congress.

What is proposed is very unusual. We would appropriate \$500 million for projects that would not even have to be looked at again by Congress. Such action would upset the entire procedure of every committee of Congress. For example, the Public Works Appropriations Committee requires that every one of the proposed projects has a favorable benefit-cost ratio. No such yardstick would be applied to any of the projects with which we are now concerned.

In my own State of North Dakota only about \$5 million in projects are proposed. They are the kind of projects for the most part which would never be approved by the Appropriations Committee.

The only projects proposed for North Dakota are for Indian reservations. For example, at Fort Berthold Reservation, employees' quarters costing \$1,380,000 would be built.

At Standing Rock Reservation, employees' quarters at an estimated cost of \$1,940,000 would be erected.

At the Turtle Mountain Reservation employees' quarters at an estimated cost of \$1 million would be built. Those projects would be undertaken out of a total of a little more than \$5 million which would be allotted to the State. So practically all the money that would be spent in North Dakota would be spent on employees' quarters at Indian reservations.

How much better would it be to engage in some worthwhile projects for the Indians themselves, who badly need work and who need education in order to try to find a better place for themselves in this world.

For example, would it not be much better if we would appropriate the money

for a trade school on an Indian reservation to teach Indians a trade so that they could go out in the world and make a living, or provide tuition money for them so that they could go to a fine trade school such as the one at Wahpeton, N. Dak., the State school of science.

The Indians themselves have proposed some very good works projects—they are not included in the proposed projects. The Congress imposes the toughest kind of justification for every other kind of project, even military projects.

We do not give the military a blank check to build the airplanes, tanks, or other things needed. For example, we always specify a certain number of dollars for a certain number of tanks.

Even in relation to the Space Agency, which is a very important program, we demand justification for all the money that is spent.

But on the proposed public works program we would give the administration a blank check to undertake projects anywhere in the United States that it wishes.

Mr. SALTONSTALL. Mr. President, I ask the distinguished Senator from Louisiana if he has any speakers, so that perhaps we may divide up the debate.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from West Virginia [Mr. BYRD].

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized for 10 minutes.

Mr. BYRD of West Virginia. Mr. President, I trust that the amendment offered by the Senator from Nebraska will be rejected. I am not a member of the subcommittee which held hearings on the appropriation bill. I have the utmost confidence in the chairman of that subcommittee, the distinguished senior Senator from Louisiana [Mr. ELLENDER], and I have the same high confidence in the members of the subcommittee.

When the chairman of the subcommittee yesterday indicated at the meeting of the full committee, of which I am a member, that he would recommend \$400 million, I felt that he was making a very sincere and conscientious appraisal of the project inventory needs.

No Member of the Senate is more thorough in appraising and studying and developing a matter before his committee than is the distinguished senior Senator from Louisiana [Mr. ELLENDER].

I come from a State in which there is a high percentage of unemployment. I felt yesterday in committee that \$400 million would not be enough to initiate a program of accelerated public works. I attempted to amend the figure to make it \$600 million, but I was unsuccessful. The compromise of \$500 million was agreed upon by a majority of the members of the Committee on Appropriations. The chairman of the subcommittee gave us assurance that he would support that compromise figure, and today on the floor of the Senate he is attempting to defend the compromise agreed upon by a majority of the members of the full committee. I support him and hope that his position will prevail.

I should like to quote certain extracts from page 23 of the supplemental hear-

ings on the public works appropriation bill:

Senator ELLENDER. Could you make an estimate for the committee as to the approximate amount of money you could obligate between now and, let us say, January 15?

Mr. GUDEMAN. I would like Mr. Bozman to do that. He has been working on this and trying to get such an estimate. I would like him to answer the question, if he can answer it.

Mr. William H. Bozman, Assistant Administrator for Administration and Finance, ARA, then answered:

Mr. BOZMAN. We had made some estimates as to how fast some of these projects can start. Now, you have to realize that these are rough estimates based upon our experience with this type of program in the past, not a project-by-project review.

And on that basis, we feel that we could start—I am not giving expenditures; I am giving project starts—approximately \$200 million in projects 3 months after the funds were made available.

Senator ELLENDER. Three months after?

Mr. BOZMAN. Yes. Is that right?

Mr. GUDEMAN. Those are the Federal projects.

Mr. BOZMAN. These are direct Federal.

Mr. GUDEMAN. Those are direct Federal that he was reading.

Mr. BOZMAN. Now, in addition, there is approximately \$95 million worth that we feel could be done with State and local projects, making a total of approximately \$321 million.

This might not be an accurate figure. Two hundred million dollars and \$95 million do not add up to \$321 million. Perhaps the witness had not made a careful statement with respect to projects in addition to those comprehended under the \$200 and \$95 million figures. At any rate, Mr. Bozman said the projects starts would total approximately \$321 million.

Senator ELLENDER. That you could obligate between now and 3 months, you said?

Mr. BOZMAN. Yes.

Senator ELLENDER. So that suppose this committee would decide to authorize you to proceed, say, with \$350 million; would that be sufficient to carry you over until January 15?

Mr. GUDEMAN. No, sir; I do not think it would.

Senator ELLENDER. Why not, if you cannot obligate more than \$300 million?

FUNDS AVAILABLE FOR OBLIGATION

Mr. GUDEMAN. Well, between now and the end of the year, we can obligate for starting of construction next year, particularly in the Northern States as soon as the winter is over. And we cannot make an obligation without knowing that it is backed up by an appropriation authorization. So that we cannot go forward with this unless we do it on a 3-month basis.

I believe that this is the key to the question which we are about to determine. The witness told the chairman of the subcommittee that the agency could not proceed with the development of projects without knowing that these projects would be supported by an appropriation authorization. He had previously indicated that they were in a position to proceed with projects totaling more than \$300 million.

This means that if we were to accept the amendment offered by the Senator from Nebraska, we would be appropriating a sum insufficient to cover the total projects which are ready to go forward. Failure to appropriate the requisite amount would inhibit those who wish to proceed with projects from so doing because they could not be sure that the projects were fully supported by authorizations. This would be highly detrimental to the President's program. I am confident that it would endanger many of the projects. The Senate would be committing a serious mistake if it were to accept the amendment offered by the Senator from Nebraska.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. ELLENDER. I yield 5 additional minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. I have before me a list of projects with which we could proceed in the State of West Virginia. There are projects under the denomination of sewage treatment works in eligible areas. These are projects that could go forward. They total \$27,355,000.

Additionally, there is a list of projects in connection with forest highways which could go forward. These would total \$4,962,000. There are also hospital and related medical facilities and other projects which could go forward in West Virginia. I ask unanimous consent that these various tables may be printed in the RECORD at this point so that the overall picture might be presented regarding

projects that are planned under this program for my State.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

U.S. DEPARTMENT OF AGRICULTURE PUBLIC WORKS ACCELERATION PROJECTS

SOIL CONSERVATION SERVICE

Public works (Public Law 46)

The work incorporated in the projects proposed by the Soil Conservation Service could be widely dispersed throughout the designated areas and quickly initiated since existing field staff would be readily available for organization and direction of the work. At the same time, emphasis could be given to projects in areas having more critical unemployment situations. The projects (authorized under Public Law 46, 74th Cong.) consist of soil and water conservation measures that have a community or public value, and involve, for the most part, jobs that individual landowners have not been able to do under existing conservation programs. Highest priority would be given to work providing the greatest anticipated offsite benefits and requiring the largest amount of employment. Financial or other contributions would be encouraged, where available, from landowners or public agencies. Appropriate agreements between the landowners and the soil conservation district would be required for carrying out the work. These agreements would generally be in the nature of supplements to the conservation plans signed by the landowners with the districts and would contain adequate provision for maintenance of the improvements and use of the areas after treatment. All of the work will be over and above all current activities now being carried out under Public Law 46. A tentative estimate of the projects that can be started promptly follows:

State:	Amount
Alabama.....	\$750,000
Arkansas.....	600,000
California.....	75,000
Colorado.....	150,000
Florida.....	150,000
Georgia.....	750,000
Hawaii.....	150,000
Idaho.....	75,000
Illinois.....	750,000
Indiana.....	750,000
Iowa.....	75,000
Kansas.....	75,000
Kentucky.....	3,000,000
Louisiana.....	600,000
Maine.....	300,000
Maryland.....	750,000
Michigan.....	750,000
Minnesota.....	750,000
Mississippi.....	750,000
Missouri.....	750,000
Montana.....	75,000
Nebraska.....	150,000
Nevada.....	75,000
New Hampshire.....	75,000
New Jersey.....	150,000
New Mexico.....	150,000
New York.....	150,000
North Carolina.....	600,000
Ohio.....	1,125,000
Oklahoma.....	1,125,000
Oregon.....	75,000
Pennsylvania.....	3,000,000
South Carolina.....	450,000
Tennessee.....	900,000
Texas.....	900,000
Utah.....	150,000
Vermont.....	75,000
Virginia.....	300,000
Washington.....	75,000
West Virginia.....	3,000,000
Wisconsin.....	450,000
Wyoming.....	75,000
Puerto Rico.....	300,000
Total.....	24,750,000

U.S. DEPARTMENT OF AGRICULTURE—NATIONAL FOREST AND SMALL WATERSHED PROGRAMS

Estimate of public works eligible for acceleration

WEST VIRGINIA

Project	Cost of project	Location
FORESTRY		
Monongahela National Forest development.....	\$5,080,000	5(b) Grant, Nicholas, Pendleton, Pocahontas, Preston, Randolph, Tucker, and Webster Counties.
George Washington National Forest development.....	1,680,000	5(b) Hampshire, Hardy, and Pendleton Counties.
Northeastern Station research development.....	637,000	5(a) Bluefield. 5(b) Tucker County.
SMALL WATERSHED PROJECTS		
Construction of weirs and stream gaging stations on watersheds and installation of neutron soil moisture equipment access tubes for soil and water conservation research.....	11,500	Morgantown (Monongalia).
Polk Creek.....	75,900	Weston.
Salt Lick.....	195,900	Burnsville.
Potomac flood prevention project.....	110,000	Romney.
AGRICULTURE RESEARCH FACILITIES		
Addition to agricultural sciences building.....	450,000	Morgantown.
Facilities for work in breeding and genetics.....	1,000,000	Do.
Laboratory and office building.....	500,000	Do.

(These estimates have been prepared on the basis of information available in the cooperative State experiment station service. They have not been verified either as to the amount or availability of matching funds by the director of the State agricultural experiment station.)

DEPARTMENT OF HEALTH, EDUCATION, AND
WELFARE

PUBLIC HEALTH SERVICE

*Sewage treatment works projects in eligible
areas, accelerated public works program*

WEST VIRGINIA

	Cost
Bethlehem.....	\$600,000
Beckley.....	600,000
Glenville.....	208,000
Matewan.....	150,000
Fayetteville.....	65,000
Belle.....	150,000
Mannington.....	301,000
Davis.....	150,000
Kingswood.....	301,000
Barboursville.....	243,000
Chapmanville.....	134,000
Ronceverte.....	175,000
Petersburg.....	242,000
Ridgeley.....	200,000
Shinnston.....	256,000
Grafton.....	140,000
Athens.....	73,000
Triadelphia.....	150,000
Sutton.....	150,000
Gassaway.....	140,000
Rainelle.....	134,000
East Rainelle.....	134,000
Grant Town.....	98,000
Star City.....	114,000
Westover.....	252,000
Red Sulphur.....	250,000
Pea Ridge.....	800,000
Midway.....	400,000
Lilly Grove.....	400,000
Green Valley.....	400,000

*Sewage treatment works projects in eligible
areas, accelerated public works program—
Continued*

	Cost
Rhodes.....	\$250,000
Martinsburg.....	1,000,000
Webster Springs.....	140,000
Poca.....	200,000
Belmont.....	60,000
Henderson.....	134,000
Winfield.....	150,000
West Hamlin.....	150,000
Wayne.....	134,000
War.....	287,000
Oceana.....	178,000
Danville.....	150,000
Keystone.....	285,000
Northfolk.....	100,000
Kimball.....	132,000
Alderson.....	134,000
Lewisburg.....	204,000
Keyser.....	498,000
Thomas.....	150,000
Bridgeport.....	412,000
Nutter Fort.....	268,000
Farmington.....	122,000
Berkeley Springs.....	131,000
Delbarton.....	125,000
Marlinton.....	146,000
West Union.....	162,000
Morgantown.....	987,000
Clarksburg.....	1,606,000
Fairmont.....	987,000
Charles Town.....	300,000
Ranson.....	200,000
Shepherdstown.....	200,000
Cedar Grove.....	170,000
Ceredo.....	87,500

*Sewage treatment works projects in eligible
areas, accelerated public works program—
Continued*

	Cost
East Bank.....	\$124,000
Harrisville.....	111,300
Chesapeake.....	315,000
Fairview.....	190,000
Moorefield.....	111,000
Logan.....	309,000
Whitesville.....	68,600
Williamson.....	1,100,000
Marmet.....	343,000
Mason.....	96,000
New Haven.....	166,000
Milton.....	104,000
Piedmont.....	116,000
Salem.....	521,500
Rowlesburg.....	262,600
Parsons.....	213,000
Smithers.....	441,500
Montgomery.....	533,200
Charleston.....	2,689,000
Cameron.....	400,000
St. Marys.....	212,000
Union.....	722,500
Total.....	27,355,000

NOTE.—The above list identifies communities located in eligible areas recently reported as planning sewage treatment works construction projects which ostensibly could be initiated or accelerated under the accelerated public works programs. It does not establish eligibility and is not a list of communities that will receive Acceleration Act assistance.

Projects for new construction and improvements or betterments of forest highways under the Accelerated Public Works Act

WEST VIRGINIA

County	Description	Type of work	Miles	Amount
Grant.....	From forest boundary near Hopeville Gap to Pendleton County line.	220-pound surface treatment.....	4.7	\$75,000
Greenbrier.....	From Nicholas County line to Pocahontas County line.....	110-pound surface treatment.....	9.8	78,000
Do.....	From Neola to Sherwood Lake.....	Double prime, 270-pound penetration stabilize shoulders.....	10.5	312,000
Do.....	Alvon to Pocahontas County line.....	Base repairs, 220-pound surface treatment stabilized shoulders.....	20.0	333,000
Do.....	From forest boundary to 1 mile south of Alvon.....	Grade, drain, base course.....	2.9	385,000
Do.....	Alvon to 1 mile south.....	Grade, drain, surface, and 2 bridges.....	1.0	271,000
Hardy.....	From Slate Run to Virginia line.....	Widen and new surface.....	3.70	375,000
Do.....	From Wardensville to Virginia State line.....	Grade, drain, stabilize 6 inches by 16 feet, widen and surface 160-pound PSY DST.....	13.5	332,000
Nicholas.....	From junction West Virginia 20 to Greenbrier County line.....	220-pound surface treatment.....	8.6	139,000
Pendleton.....	From Grant County line to mouth of Seneca.....	do.....	8.8	146,000
Pocahontas.....	From Frost to Dunmore.....	do.....	7.4	125,000
Do.....	From Greenbrier to Burton.....	do.....	9.7	146,000
Do.....	Randolph County line toward Durbin.....	do.....	2.3	42,000
Do.....	From Greenbrier County line to junction West Virginia 39.....	220-pound surface treatment, stabilized shoulders.....	5.8	125,000
Do.....	Forest boundary to Slaty Fork.....	220-pound surface treatment.....	7.9	130,000
Do.....	From forest boundary to Cass.....	do.....	15.0	271,000
Do.....	From junction Public Road 21/4 to Huntersville.....	do.....	11.5	177,000
Do.....	From junction West Virginia 39 to junction U.S. 250.....	3 bridges and approaches.....	2.0	312,000
Do.....	Dilleys Mills at junction section 11/2.....	Thorny Creek Bridge and approaches.....	1.07	239,000
Do.....	Durbin relocation.....	Bridge.....	.05	209,000
Preston.....	From Monongahela Forest line to Tucker County line.....	Patch and level 160-pound/SY HILAC wearing course, 3-inch stone shoulders, 4 feet each side.....	2.8	54,000
Randolph.....	From Huttonsville to section 37.....	220-pound surface treatment.....	8.7	135,000
Do.....	From Alpena to Tucker County line.....	6-inch stone stabilization.....	9.5	156,000
Tucker.....	From section 32 to junction U.S. 219.....	220-pound surface treatment.....	16.2	234,000
Do.....	From junction U.S. 219 to forest boundary at junction section 6.....	do.....	7.0	109,000
Do.....	Davis to Thomas.....	do.....	3.1	52,000
Total.....				4,962,000

HOUSING AND HOME FINANCE AGENCY, COMMUNITY FACILITIES ADMINISTRATION

Accelerated public works program—State summary of projects in eligible areas planned or in process of planning under the advance planning program (sec. 702 of the Housing Act of 1954, as amended)

State	Number of projects in eligible areas				Estimated total cost	State	Number of projects in eligible areas				Estimated total cost
	5(a)	5(b)	LSA	Total			5(a)	5(b)	LSA	Total	
Alabama.....	3	5	3	11	\$27,188,966	Missouri.....	2	2	2	4	\$42,484,334
Alaska.....		13		13	14,344,493	Montana.....	6	2		8	6,914,869
Arizona.....		3		3	798,927	New Hampshire.....		4		4	3,426,650
Arkansas.....		11		11	1,865,962	New Jersey.....	16		39	55	182,726,601
California.....	4		20	24	33,156,751	New Mexico.....		2		2	1,241,052
Colorado.....			1	1	2,678,000	New York.....	12	1	17	30	45,237,999
Connecticut.....	7		5	12	18,965,493	North Carolina.....		6	2	8	3,193,741
Florida.....		3	6	9	61,351,625	Ohio.....	2		13	15	25,261,910
Georgia.....		4		4	1,656,605	Oklahoma.....		1		1	690,000
Hawaii.....		2		2	1,204,840	Oregon.....		8	2	10	3,768,306
Idaho.....		1		1	1,912,720	Pennsylvania.....	55	11	13	79	211,557,139
Illinois.....	9	5	4	18	7,522,410	Rhode Island.....	5			5	7,560,100
Indiana.....			2	2	5,166,000	South Carolina.....		3		3	3,250,106
Kansas.....	1			1	2,812,950	Tennessee.....	2	5	1	8	3,419,518
Kentucky.....	8	5		13	13,516,404	Texas.....		3	13	16	68,720,014
Louisiana.....	4	30	20	54	118,128,984	Utah.....		2	4	6	4,044,203
Maine.....	3	9	1	13	11,433,512	Vermont.....		4		4	3,510,190
Maryland.....	3			3	1,567,100	Washington.....	6	4	7	17	33,647,165
Massachusetts.....	1		16	17	21,698,533	West Virginia.....	14	3		17	11,672,168
Michigan.....	11	6	2	19	71,853,343	Puerto Rico.....	2			2	1,058,538
Minnesota.....	1			1	1,461,712						
Mississippi.....		10	3	13	7,149,204	Total.....	177	166	196	539	1,090,859,137

NOTE.—The above summary represents program status as of Aug. 31, 1962. Educational facilities are excluded. Eligible areas are those contained in list published on Sept. 8, 1962.

WEST VIRGINIA

STATE SUMMARY

Area designation		Number	Estimated total cost
5a.....		14	\$10,577,582
5b.....		3	1,094,586
S.....			
Grand total.....		17	11,672,168

City	County	Area designation	Type of project	Estimated total cost	City	County	Area designation	Type of project	Estimated total cost
Bethlehem.....	Ohio.....	5a	Sewer.....	\$1,076,000	Huntington.....	Mercer.....	5a	Water.....	\$646,738
Blacksville.....	Monongalia.....	5a	Water.....	40,000	Montgomery.....	Fayette and Kanawha.....	5a	Sewer.....	(1)
Cameron.....	Marshall.....	5a	Sewer.....	297,160	Oceana.....	Wyoming.....	5b	do.....	376,473
Cerodo.....	Wayne.....	5a	do.....	106,285	Peterstown.....	Monroe.....	5a	Water.....	537,634
Charleston.....	Kanawha.....	5a	do.....	1,638,167	Piedmont.....	Mineral.....	5a	Sewer.....	148,458
Clarksburg.....	Harrison.....	5a	Water.....	50,000	Rivesville.....	Marion.....	5a	do.....	300,000
Craigsville.....	Nicholas.....	5b	do.....	542,413	Wheeling.....	Ohio.....	5a	Water.....	5,343,170
Harrisville.....	Ritchie.....	5a	Sewer.....	200,000	Parsons.....	Tucker.....	5b	do.....	175,700
Huntington.....	Kanawha.....	5a	do.....	193,970					

1 Estimated total cost is listed elsewhere.

DEPARTMENT OF THE INTERIOR

Projects available for allocation of funds under Public Works Acceleration Act

NATIONAL PARK SERVICE

[In thousands of dollars]

State and area	Type of project	Name of project	Cost
Category: Substantial unemployment			
West Virginia.....	Roads and trails.....	Harpers Ferry National Monument (Jefferson County).	27
	Buildings and utilities.....	do.....	457

BUREAU OF MINES

Category: Sec. 5(b)			
Utah:			
Emery County.....	I—Mine-fire control.....	East Quitcupah.....	50
Do.....	do.....	West Quitcupah.....	75
Carbon County.....	do.....	Hoffman Creek.....	60
West Virginia: Tucker County.....	I—Reclamation pilot project.....	Blackwater Falls (2 projects).....	580
Total.....			765
Category: Sec. 5(b) Indian			
Arizona: Navajo.....	I—Mine-fire control.....	Navajo mine fire.....	100
Wyoming: Wind River.....	do.....	Owl Creek Nos. 1 and 2.....	15
New Mexico: San Juan County.....	do.....	Ute Mountain.....	150
Total.....			265

DEPARTMENT OF THE INTERIOR

Projects available for allocation of funds under Public Works Acceleration Act—Continued

BUREAU OF MINES—Continued

[In thousands of dollars]

State and area	Type of project	Name of project	Cost
Category: Sec. 5(a)			
Pennsylvania:			
Pittsburgh.....	I—Building construction.....	Research center.....	8,500
Pottsville-Lehighton.....	do.....	Anthracite research center.....	130
West Virginia: Morgantown.....	do.....	Morgantown research center.....	385
Pennsylvania:			
Scranton.....	I—Mine-fire control.....	South Scranton mine fire.....	200
Sunbury-Shamokin-Mount Carmel.....	do.....	Coal Run mine fire.....	50
Pottsville-Lehighton.....	do.....	Shenandoah mine fire.....	25
Uniontown-Connellsville.....	do.....	South Union mine fire.....	112
Pittsburgh.....	do.....	Bradenville mine fire.....	50
Do.....	do.....	Burgettstown and Smith mine fire.....	50
Kentucky: Middlesboro-Harlan.....	do.....	Harlan County.....	80
Pennsylvania: St. Marys.....	I—Reclamation pilot project.....	El Camton.....	98
Kentucky, Tennessee, and Virginia: Cumberland area.....	I—Strip mine reclamation pilot project.....	3 projects east Kentucky, northeast Tennessee, and western Virginia.....	138
Pennsylvania: Southwest.....	I—Acid mine water drainage (pilot project).....	Not determined.....	250
Ohio: Northeast.....	do.....	do.....	150
West Virginia: North.....	do.....	do.....	150
Pennsylvania: Pottsville-Lehighton.....	I—Research to backfill and grade stripping area to determine methods and costs, provide recreational area, and to remove serious public hazard.....	Ashland backfill.....	300
Pennsylvania: Anthracite mining region.....	I—Research on burning culm banks to determine methods and costs of extinguishment.....	Burning culm banks.....	50
Total.....			10,718

BUREAU OF SPORTS FISHERIES AND WILDLIFE, BRANCH OF WILDLIFE REFUGES

West Virginia: Greenbrier County (5a).....	I—Raceways, pipelines, residences, and equipment.....	White Sulphur Springs National Fish Hatchery.....	138
West Virginia: Randolph County (5b).....	A—Raceways, pipelines, and building.....	Bowden National Fish Hatchery.....	195
Category: Substantial unemployment			
West Virginia: Jefferson County.....	I—Ponds, water supply, buildings, equipment.....	Leetown National Fish Hatchery.....	186

DEPARTMENT OF THE ARMY—CORPS OF ENGINEERS PROJECTS AVAILABLE FOR ALLOCATION OF FUNDS UNDER THE PUBLIC WORKS ACCELERATION ACT

RECREATIONAL FACILITIES

Involves construction of access roads, boat-launching ramps, picnic tables, picnic shelters, and such other facilities as are necessary for the health and safety of the visiting public and for utilization of the recreational potential at Corps of Engineers projects:

Project and State	Amount
ALABAMA	
Columbia lock and dam, Alabama and Georgia.....	\$179,000
Demopolis lock and dam.....	423,000
Jackson lock and dam.....	660,000
Walter F. George lock and dam, Alabama and Georgia.....	800,000
Warrior lock and dam.....	235,000
ARKANSAS	
Blakely Mountain Reservoir.....	185,000
Bull Shoals Reservoir, Ark. and Mo.....	499,000
Greers Ferry Reservoir.....	30,000
Nimrod Reservoir.....	30,000
Norfolk Reservoir.....	25,000
Ouachita and Black Rivers, Ark. and La.....	75,000
CALIFORNIA	
Coyote Valley Dam.....	750,000
Pine Flat Reservoir.....	140,000

Project and State

GEORGIA

Project and State	Amount
Buford Dam.....	\$1,019,000
Clark Hill Reservoir, Ga. and S.C.....	987,000
Hartwell Reservoir, Ga. and SC.....	900,000
Jim Woodruff lock and dam, Georgia and Florida.....	1,886,000

IDAHO

Albeni Falls Reservoir.....	115,000
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ILLINOIS

Ohio River lock and dam 51.....	9,000
Ohio River lock and dam 52.....	9,000
Upper Mississippi River, pool 26.....	65,000

INDIANA

Ohio River lock and dam 43.....	9,000
Ohio River lock and dam 44.....	9,000
Ohio River lock and dam 48.....	9,000

KENTUCKY

Buckhorn Reservoir.....	377,000
Dewey Reservoir.....	20,000
Nolin Reservoir.....	440,000
Ohio River lock and dam 45.....	9,000
Ohio River lock and dam 50.....	9,000
Rough River Reservoir.....	672,000
Wolf Creek Dam.....	96,000

MICHIGAN

St. Mary's River.....	23,000
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MISSISSIPPI

Arkabutla Reservoir.....	137,000
Enid Reservoir.....	137,000
Grenada Reservoir.....	25,000
Sardis Reservoir.....	198,000

Project and State

MISSOURI

Project and State	Amount
Clearwater Reservoir.....	\$48,000
Pomme De Terre Reservoir.....	529,000
Table Rock Reservoir.....	186,000

NEW MEXICO

Conchas Reservoir.....	202,000
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NORTH CAROLINA

Cape Fear River lock and dam 1, 2, and 3.....	122,000
Wilkesboro Reservoir.....	252,000

OHIO

Berlin Reservoir.....	450,000
Gallipolis lock and dam, Ohio and West Virginia.....	240,000

TENNESSEE

Center Hill Reservoir.....	36,000
Cheatham lock and dam.....	74,000
Dale Hollow Reservoir.....	54,000

TEXAS

Ferrells Bridge Reservoir.....	300,000
Texarkana Reservoir.....	350,000

VIRGINIA

John H. Kerr Reservoir, Va. and N.C.....	2,245,000
Philpott Reservoir.....	740,000

WASHINGTON

Chief Joseph Dam.....	30,000
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WEST VIRGINIA

Bluestone Reservoir.....	10,000
Sutton Reservoir.....	470,000

Total..... 17,529,000

IMPROVEMENTS AND REPAIRS

[The proposed work under this program contemplates the accomplishment of improvements and repairs on projects completed or in operation. Experience on many projects has shown the need for providing supplementary facilities for the safety of the visiting public and more efficient operation. On other projects, certain work has deteriorated over a period of years and now requires repair or rehabilitation. The work to be accomplished includes jetties, piers, breakwaters, shore-protection works, river control and stabilization works, etc.]

Project and State	Amount	Description of work
New Jersey:		
Cold Spring Inlet.....	\$936,000	Rehabilitation of jetties.
Delaware River, Philadelphia to sea, New Jersey, Delaware, and Pennsylvania.....	500,000	Construction and rehabilitation of dredge disposal areas.
Manasquan River.....	522,000	Rehabilitation of bulkheads.
New Jersey Intracoastal Waterway.....	584,000	Rehabilitation of jetties and bulkheads.
New Mexico: Conchas Reservoir.....	58,000	Repairs to reservoir structures and facilities.
New York:		
New York-New Jersey Channel.....	564,000	Reconstruct dike.
Olcott Harbor.....	200,000	Repairs to west pier.
North Carolina:		
John H. Kerr Reservoir.....	60,000	Remove rock obstruction in channel and riprap.
Lock and dam No. 2, Cape Fear River.....	83,000	Riprap eroding river bank.
Lock and dam No. 3, Cape Fear River.....	102,000	Do.
Ohio:		
Muskingum River Reservoirs:		
Beach City Reservoir.....	55,000	Reconstruction of culverts in Brewster levee.
Senecaville Reservoir.....	20,000	Riprap eroded shoreline at dam.
Tom Jenkins Reservoir.....	30,000	Channel clearing below dam.
Vermilion Harbor.....	200,000	Repairs to west pier.
Oregon:		
Astoria small-boat basin.....	50,000	Repair structures.
Williamette and Yamhill Rivers.....	50,000	Construction of drift barrier and repair of stone revetment.
Tennessee:		
Tennessee River:		
Hales Bay lock and dam.....	41,000	Repair project facilities.
Pickwick lock and dam.....	26,000	Do.
Watts Bay lock and dam.....	12,000	Do.
Texas: Galveston Harbor and Channel.....	1,370,000	Rehabilitation of beach-front groins.
Washington: Waterway connecting Port Townsend and Oak Bay.....	3,000	Repair entrance jetty.
West Virginia: Kanawha River locks and dams.....	160,000	Install floating mooring bits, London locks.
Flood control, Mississippi River and tributaries:		
Atchafalaya Basin, La.....	435,000	Construction of levee setback.
Channel improvement, Louisiana.....	1,000,000	Repairs to bank-stabilization works.
Lower Arkansas River, Ark.....	600,000	Do.
Lower Red River, La.....	75,000	Repairs to levees.
Mississippi River levees, Louisiana.....	3,808,000	Repairs to levees and wave-wash-protection works. Construction of bank stabilization to prevent levee setback.
Yazoo Basin, Mississippi main stem.....	60,000	Snagging and clearing.
Total.....	18,461,000	

ACCELERATION OF CONSTRUCTION ON GOING PROJECTS

Alabama: Millers Ferry lock and dam.....	\$950,000	Earlier award lock-excavation contract; left-bank dike.
Arkansas: Bull Shoals Reservoir.....	60,000	Rebuild existing access road to powerhouse.
Delaware: Inland Waterway—Delaware River to Chesapeake Bay.....	2,000,000	Accelerate project dredging.
Florida:		
Miami Harbor.....	3,340,000	Do.
Port Everglades Harbor.....	2,800,000	Do.
Georgia: Savannah River below Augusta, Ga., and South Carolina.....	200,000	Additional pile dikes and bank-revetment work.
Indiana: Cannelton locks and dam.....	760,000	Award lock contract earlier in year.
Kentucky: Greenup locks and dam, Kentucky and Ohio.....	210,000	Bank remedial work below dam abutment. Surface access road and parking area; fencing.
Louisiana:		
Mississippi River gulf outlet.....	1,958,000	Advance completion of 4 dredging items.
Red River below Denison Dam.....	135,000	Advance completion of revetment work in 2 areas.
Minnesota: Duluth-Superior Harbor, Minn. and Wis.....	263,000	Advance initiation of dredging Allouez Bay Channel.
Missouri: Missouri River, Kansas City to mouth.....	400,000	Advance dike and revetment construction.
Ohio:		
Pike Island locks and dam, Ohio and West Virginia.....	3,000,000	Accelerate dam construction.
Floodwall rehabilitation, Ohio and West Virginia.....	220,000	Floodwall remedial work several localities to meet new design criteria.
Dillon Reservoir.....	100,000	Remedial work downstream from right abutment.
Pennsylvania: Curwensville Reservoir.....	600,000	Accelerate construction of highway and railroad relocations.
Virginia: John W. Flannagan Dam and Reservoir.....	370,000	Accelerate road relocation and dam construction.
West Virginia: Cumberland, Md., and Ridgely, W. Va.....	350,000	Complete authorized protective works.
Flood control, Mississippi River and tributaries:		
Baton Rouge Harbor, La.....	200,000	Dredging large channel.
Channel improvement, Arkansas, Kentucky, Louisiana, Mississippi, and Missouri.....	22,214,000	Accelerate bank-stabilization works and improvement dredging.
Lower Arkansas River, Ark.....	111,000	Accelerate construction of berms and placing gravel on levee roads.
Mississippi River levees, Arkansas, Louisiana, Mississippi, and Missouri.....	1,578,000	Accelerate construction of berms, foreshore protection, and placing of gravel on levee roads.
Old River, La.....	400,000	Riprap protection for scour.
Texas Basin, La.....	100,000	Advance of completion of channel improvement on 1 reach.
White River Breakwater levee, Arkansas.....	54,000	Placing gravel on levee roads.
Yazoo Basin, Miss.....	515,000	Advance completion of 2 levee items.
Total.....	42,878,000	
Grand total.....	99,280,500	

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

PUBLIC HEALTH SERVICE

Hill-Burton program

Estimates of funds which could be used for health facility construction under the Public Works Acceleration Act and pursuant to the provisions of the Hill-Burton program which is administered by the Public Health Service

The attached estimates are based on reports received from Hill-Burton State agen-

cies in January 1962, showing projects which could be approved in fiscal year 1963 if there were no limitations on Federal funds. Specific health facility projects—by name and location—which meet the requirements of the Public Works Acceleration Act are now being compiled by the State agencies responsible for administering the Hill-Burton program.

A tremendous backlog of hospital and other health facility projects exists. For example, State agencies responsible for administering the Hill-Burton program par-

ticipated in a study conducted by the Public Health Service 2 years ago and reported that it would take \$3.6 billion to modernize health facilities throughout the country. In addition, a large deficit of nursing home and hospital beds, as well as ambulatory care facilities, exists. Those communities which cannot receive Hill-Burton assistance by reason of their low priority will expedite architectural drawing and the raising of local funds as soon as the availability of funds under, and requirements of, the public works acceleration program become known.

Estimates of hospitals and related medical facility projects which could be constructed in areas eligible for aid under the public works acceleration bill¹

State	Hill-Burton projects in eligible areas		
	Estimated number of projects	Estimated cost (thousands)	
		Total cost	Federal share
Total.....	389	\$330,548	\$131,270
Alabama.....	19	8,299	5,533
Alaska.....	4	3,753	870
Arizona.....	(2)	(2)	(2)
Arkansas.....	4	1,000	500
California.....	33	36,594	11,495
Colorado.....	1	300	134
Connecticut.....	7	5,099	894
Delaware.....	(2)	(2)	(2)
Distriet of Columbia.....	(2)	(2)	(2)
Florida.....	12	9,510	4,367
Georgia.....	8	4,972	2,044
Hawaii.....	2	1,700	650
Idaho.....	4	3,850	1,925
Illinois.....	5	4,210	1,403
Indiana.....	5	2,209	707
Iowa.....	1	500	250
Kansas.....	(2)	(2)	(2)
Kentucky.....	21	16,060	7,096
Louisiana.....	18	21,310	10,370
Maine.....	3	2,800	1,400
Maryland.....	4	2,060	293
Massachusetts.....	6	4,150	1,660
Michigan.....	11	12,064	4,712
Minnesota.....	17	5,334	2,401
Mississippi.....	(2)	(2)	(2)
Missouri.....	1	522	261
Montana.....	2	2,960	684
Nebraska.....	5	1,420	528
Nevada.....	3	1,560	817
New Hampshire.....	(2)	(2)	(2)
New Jersey.....	23	27,656	7,357
New Mexico.....	3	1,092	546
New York.....	15	13,197	4,162
North Carolina.....	4	2,000	1,100
North Dakota.....	(2)	(2)	(2)
Ohio.....	21	16,547	5,515
Oklahoma.....	(2)	(2)	(2)
Oregon.....	8	4,430	1,775
Pennsylvania.....	35	39,815	13,151
Rhode Island.....	3	3,744	512
South Carolina.....	6	3,810	2,240
South Dakota.....	(2)	(2)	(2)
Tennessee.....	3	960	499
Texas.....	9	8,490	3,770
Utah.....	13	8,150	3,733
Vermont.....	(2)	(2)	(2)
Virginia.....	1	3,000	825
Washington.....	8	6,164	2,465
West Virginia.....	11	11,794	5,897
Wisconsin.....	9	7,073	2,829
Wyoming.....	(2)	(2)	(2)
Guam.....	(2)	(2)	(2)
Puerto Rico.....	21	20,400	13,600
Virgin Islands.....	(2)	(2)	(2)

¹ Estimates are based on reports received from Hill-Burton State agencies in January 1962, showing projects which could be approved in fiscal year 1963 if there were no limitations on Federal funds.

² Information not available.

NOTE.—Estimates include projects sponsored by voluntary nonprofit organizations. If it is determined that voluntary nonprofit hospitals are ineligible under the public works acceleration bill, the above estimates would be reduced by approximately 50 percent.

Mr. BYRD of West Virginia. Mr. President, the chairman of the subcommittee has presented a very substantial figure. I am convinced that in view of the fact that the Senate will be back in session before many days, we shall have an opportunity to take a new look at the situation well in time to appropriate additional moneys if they are needed. While \$500 million should be sufficient to carry the program over the period of time until we can again appraise the situation, I am equally sure that \$300 million would not be enough. I base this belief on the testimony which I have just completed reading into the RECORD and upon my knowledge of the projects which are planned in my own State.

I should rather err by appropriating a little too much than too little. By appropriating too little, we would not only retard the development of projects which could be moved ahead, but we would take an action which would be psychologically bad for the program.

I again express the hope that the Senate will not accept the amendment offered by the distinguished Senator from Nebraska.

I express gratitude to the chairman of the subcommittee, the senior Senator from Louisiana [Mr. ELLENDER], not only for yielding time to me, but also for his interest in and support of this very important program, which will be good not only for my State, but for the entire country, as well. I congratulate him on the exemplary work which he has done.

Mr. MILLER. Mr. President, will the Senator yield for a question?

Mr. BYRD of West Virginia. I yield.

Mr. MILLER. Did I correctly understand the Senator from West Virginia to say that the amendment of the Senator from Nebraska would jeopardize the President's program?

Mr. BYRD of West Virginia. I think it would certainly retard it to the extent I have already indicated. Additionally, as I have said, I believe it would be a psychological defeat and psychologically bad for the program.

Mr. MILLER. Does not the Senator recognize that this amount was not included in the President's budget at the time he presented it to Congress at the beginning of this session? At that time, he assured the people that he would present a balanced budget, and this amount was not in that budget.

Mr. BYRD of West Virginia. I recognize that the President is supporting the program at the present time. I was with the President when he visited Wheeling day before yesterday. At that time he indicated that it was his desire, his wish, and his hope that we appropriate at least \$600 million for the program now; that any lesser amount would be bad for the program and bad for the country.

The PRESIDING OFFICER. The time of the Senator from West Virginia has expired.

Mr. ELLENDER. I yield an additional 2 minutes to the Senator from West Virginia.

Mr. BYRD of West Virginia. So I say to the distinguished Senator from Iowa that the President wants the program to get underway immediately and he wants it to be adequately financed. I am sure the President knows that. The President would be very much disappointed if the amendment offered by the Senator from Nebraska were to be adopted.

Mr. MILLER. What are we to conclude? At the beginning of the year we were assured of a balanced budget, and the President presented a budget which was balanced. Now we are told that the President supports something which will unbalance the budget. We cannot have it both ways.

I suggest that while perhaps the President supports the program, the program

does not support the President's budget.

Mr. BYRD of West Virginia. The Senator from Iowa knows that this will not be the first occasion upon which, nor will it be the first administration under which action will have been taken to appropriate moneys which, overall, perhaps do not tend toward a balancing of the budget. This will not be the first time; neither will it be the last time.

I think it more important that we appropriate enough money to get the President's program underway to construct projects in areas where they have been long needed before this administration came to power, so as to put individuals to work and get them out of soup lines and into assembly lines, and get them off relief rolls and back on the payrolls. This procedure, in the final analysis, will do more to help the overall economic and fiscal situation than would a mere savings of \$200 million resulting from the adoption of the pending amendment.

Mr. MILLER. I am very much aware of the fact that this would not be the first time that that had happened; but as I pointed out in my earlier remarks, this is the responsibility of the legislative branch of the Government. Granted that we were presented a balanced budget at the beginning of the year. It is still up to Congress to deliver on it, not the Executive. I think we are shirking our responsibility in that respect.

The PRESIDING OFFICER. The time of the Senator from West Virginia has again expired.

Mr. SALTONSTALL. Mr. President, I yield 1 minute to the Senator from Iowa.

Mr. MILLER. I do not believe anyone is less concerned about the 5 million people who are walking the streets looking for work. The Senator from Iowa wants to do something to alleviate that condition. I suggest that by increasing by more than \$1 billion the amount spent for public works during the last fiscal year, there will be substantial movement in that direction.

Mr. BYRD of West Virginia. Mr. President, will the Senator from Iowa yield?

Mr. MILLER. I yield.

Mr. BYRD of West Virginia. The Senator from Iowa now has the opportunity to do something about it. I suggest that he consider voting against the amendment offered by the Senator from Nebraska.

Mr. MILLER. I thank the Senator for the invitation; but I have already indicated my view that we cannot have our cake and eat it too. We cannot have sustained employment at the sacrifice of the purchasing power of our money, because that will discourage business expansion. It is to private business that we must look for sustained job opportunities for the people.

It was brought out in the subcommittee of the Committee on Public Works, of which I am a member, by the Area Redevelopment Administrator, Mr. Batt, that the best type of activity is that which promotes private business, rather than the immediate-action public works programs.

When I asked what would happen to unemployed persons who will receive employment under this program for only a year or a little more, and then become unemployed again, the only answer I could get was that it was hoped that private industry would have expanded sufficiently to absorb them. I do not think that offers a bright future for those people.

Mr. MILLER subsequently said: Mr. President, I ask unanimous consent that a portion of the hearings on the authorization bills S. 2965 and S. 2817, for the immediate action public works program, appearing on pages 179 and 180, as marked, and again on pages 183 and 184, as marked, be printed in the RECORD following my remarks in my colloquy with the Senator from West Virginia.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Senator MILLER. Now, another question:

On page 5, you referred to 1,132 need-now projects. I must say I was rather impressed by the example of Carbondale, Ill. I am wondering, is it your evaluation of these 1,132 projects that are going to have a similar effect upon the local communities to the Carbondale project?

Mr. BATT. They will have something of this effect, sir, although the Carbondale loan, under the ARA program, was to a private business, which is providing permanent jobs. I tried to make the distinction that the public works that are needed are essential. The employment effect also has a multiplier effect, but obviously these are not—they do not have as much immediate benefit as the loan in the Carbondale area, which was to a private business.

Senator MILLER. Now, the last question, as I understand the Chavez amendment, it envisions employment for 1 year as these are 1-year projects. What is your thinking about what these people are going to do after they have wound up that 1-year project?

Mr. BATT. Well, two things occur to me, sir. One is that in the blue areas, (nonredevelopment areas of substantial labor surplus), which are suffering from heavy unemployment primarily as a result of the recession, we would hope at the end of this 1-year period the recovery would have progressed to a point where there would not be any more blue areas on the map. That is half of your problem. There are 1 million unemployed in those areas.

In redevelopment areas, these are the areas which, of course, traditionally have not responded to national recovery.

I am sure that we will still have unemployment in these areas. The factor which will tend to operate to reduce that unemployment will be the Chavez amendment plus the fact we will have another year behind us under the Area Redevelopment Act.

Now, of course, Congress gave us under our act 4 years to produce results and come back to Congress for another look-see. So that I am not saying we are going to liquidate the area unemployment problem in the United States at the end of a year and half's experience. But I do think that we will have liquidated some of it and, as a matter of fact, I see there are areas which are on their way to a position where they pretty well have liquidated their unemployment already.

So that I would think that the end of a year is a time that Congress would want to take another look at the problem.

Mr. BYRD of West Virginia. Mr. President, on behalf of the Senator from

Wyoming [Mr. McGEE], I ask unanimous consent to have printed in the RECORD at this point a statement prepared by him regarding the proposal to provide funds for the accelerated public works program recently authorized by the Congress.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR MCGEE

When the proposal to provide funds for the accelerated public works program recently authorized by the Congress came before the Appropriations Committee, I strongly supported the proposition of providing \$500 million to initiate the program. I continue to support this figure with all the vigor at my command.

The approval by the Congress of this bill with this amount will afford the States the opportunity of formulating workable programs, which, when coupled with Federal programs, should materially alleviate many of the pockets of unemployment in the United States.

As the Members of the Senate well know, one-third of these funds must be utilized in rural areas which are faced with particular economic hardships. My own State of Wyoming does not have too many of these pockets of unemployment, but where they do exist, they are particularly trying.

In my judgment, this program should be adopted, and I hope the Senate will stand by the committee's recommendation.

Mr. SALTONSTALL. Mr. President, I yield myself 5 minutes.

First, I commend the Senator from Louisiana for the thoughtful consideration he has given the public works bill. He devotes more of his time to it in the course of a year than I believe he does to any other subject. He deserves our commendation.

This year the bill provides a substantial amount. The amount recommended by the committee is \$5,211 million, which is \$1,270 million over the appropriation of last year. It is \$597 million over the amount as passed by the House, and yet is \$440 million under the budget estimate. This is a substantial amount of money to spend on new works this year.

They are works which have been or will be approved by Congress before the bill is sent to the President.

The amendment we are now discussing to the general appropriation bill on public works is based on the theory of constructing and designating for construction public works. It takes away from Congress authority to appropriate amounts of money. It leaves entirely to the President discretion as to where, how, and how much in public works shall be built at any one place.

I call attention to the fact that one-third, or not less than \$300 million, of the authorized amount shall be allocated for other public works projects in areas designated by the Secretary of Commerce as redevelopment areas under subsection (2) of section 5 of the Area Redevelopment Act. If we examine the Area Redevelopment Act, we learn that redevelopment areas are designated by the Secretary as "areas, including Indian reservations, within the United States which do not meet the requirements set forth in subsection (a), but which he determines are among the highest in

numbers and percentages of low-income families and in which there exists a condition of substantial and persistent unemployment or underemployment."

I call attention to that language because it means that a very considerable period of time will be needed, first, to have an area designated, and then to plan for the construction of projects within that area.

This amendment, which would reduce the committee's recommendation of \$500 million to \$300 million, provides, in my opinion, an amount ample to take care of any of the work on projects that the President may designate before Congress reconvenes in January.

As the Senator from Louisiana [Mr. ELLENDER], the chairman of the subcommittee, pointed out, this entire problem is still in the development stage. The witness from the Department of Commerce could not state any specific projects and their costs. He said they were preparing some, and that he believed approximately \$90 million could be devoted to State and local projects, making a total of \$321 million. Those are all the projects now being prepared. It is necessary first to obtain State approval, and also, I believe, to obtain some support from the State, and then to obtain the designs and to get the projects in process, so that bids on them can be obtained.

As I have said, the point which most impresses me in connection with this entire program is that it provides a new method of making appropriations for public works. It takes from Congress the authority to designate the projects it believes to be the correct ones. Until now, we have been able to decide on the particular projects which we believed needed development; or if unemployment existed in a certain area, we could designate a project for that area. But that authority has now been taken from Congress and is to be handled entirely according to the discretion of the President and his advisers; and now they must determine what areas need development and where unemployment exists, and they must get the approval of the States, and then must have the projects designed and the planning and the necessary architectural work done.

In my opinion, \$300 million is all that can possibly be required under this measure prior to the time when Congress convenes for the next session.

I believe the amendment is a wise one. I believe that if we appropriate \$300 million for this purpose, we shall be giving the President all the funds he can possibly use for it, and we shall stimulate all the activities for public works projects that are considered desirable.

Therefore, Mr. President, I hope the amendment will be adopted.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the senior Senator from Texas [Mr. YARBOROUGH].

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Senator from Texas is recognized for 5 minutes.

Mr. YARBOROUGH. Mr. President, I commend the distinguished Senior Senator from Louisiana for the detailed work he has done on this measure and

for the meticulous care he has given to the bill and to the hearings on both the appropriations for the public works appropriation bill and the appropriations for the accelerated public works program. All those who attended the hearings were greatly impressed with the patience he showed, the detailed consideration he gave, but the expedition with which he kept the hearings moving.

The hearings on the public works appropriation bill for 1963 comprise more than 3,000 printed pages, and involved a great deal of work and careful attention to detail. The distinguished Senior Senator from Louisiana was present at almost all times during the hearings when testimony was being taken, and all of us are most appreciative of the great care he has taken and the detailed consideration he has given in connection with every phase of this multi-billion-dollar measure.

In commenting upon the pending amendment aimed at cutting the accelerated public works program, let me say that although \$500 million sounds to me like a great deal of money, yet when I study the record compiled by the subcommittee on the bill; when I consider that \$500 million is less than \$3 a person for the population of the United States; when I consider the many States and counties in the States which have been designated as areas for redevelopment; when I consider the numerous other counties which seek such designation, but have not yet been able to obtain it; and when I consider the projects included for handling under this accelerated public works program, and also

consider the many other areas and cities which, because the scarcity of funds, it has not been possible to include in the program, I realize that when the \$500 million is divided among all the States and the more than 3,000 counties in the Nation and the many cities and public development districts in nation, the funds appropriated will be spread very thin.

Lest there be any doubt that great care has been used in considering the distribution and use of the \$500 million, I refer Senators to the supplemental hearings in which the States, areas, and districts are listed, along with each of the proposed projects. They are grouped in categories, such as sewage disposal, forest roads, and so forth, in the various States.

Let me ask the distinguished Senator from Louisiana whether these tables in this hearing have already been placed in the RECORD? I refer to the list of the eligible areas under the accelerated public works program. The list begins on page 159 of the supplemental hearings. Has the list been ordered printed in today's CONGRESSIONAL RECORD?

Mr. ELLENDER. Not the entire list.

Mr. YARBOROUGH. Then, Mr. President, I ask unanimous consent to have printed at this point in the RECORD the table of eligible areas, beginning on page 159 and continuing through page 205. It also includes the area redevelopment counties which have been designated in each State. The States are listed in alphabetical order, and the counties under each title are also listed in alphabetical order.

Section 5(a) redevelopment areas ¹

State and area	Area definition ² (counties unless otherwise noted)	State and area	Area definition ² (counties unless otherwise noted)
Alabama:		Louisiana:	
Gadsden.....	Etowah.	Hammond.....	Tangipahoa Parish.
Jasper.....	Walker.	Opelousas.....	St. Landry Parish.
Alaska: Anchorage.....	All of election district No. 10.	Maine: Biddeford-Sanford.....	City of Biddeford.
Arkansas: Camden.....	Calboun and Ouachita.		City of Saco.
California:			Towns in York County: Aetion, Alfred, Arundel, Buxton, Cornish, Dayton, Hollis, Kennebunk, Kennebunkport, Lebanon, Lime- rick, Limington, Lyman, Newfield, North Berwick, Old Orchard Beach, Parsonfield, Sanford, Shapleigh, and Waterboro.
Modesto.....	Stanislaus.		
Ukiah.....	Mendocino.		
Connecticut:		Maryland:	
Ansonia.....	Towns in New Haven County: Ansonia, Derby, Oxford, and Seymour.	Cambridge.....	Dorchester.
Bristol.....	Town in Hartford County: Bristol.	Cumberland.....	Allegheny and Mineral County, W.Va.
Danielson.....	Town in Litchfield County: Plymouth.	Hagerstown.....	Washington.
	Towns in Windham County: Brooklyn, Canterbury, Eastford, Killiney, Plainfield, Pomfret, Putnam, Sterling, Thompson, and Woodstock.	Massachusetts:	
Georgia:		Fall River.....	City of Fall River.
Carrollton.....	Carroll.		Towns in Bristol County, Mass.: Somerset, Swansea, and Westport.
Cedartown-Rockmart.....	Paulding and Polk.		Town in Newport County, R.I.: Tiverton.
Illinois:		Lowell.....	City of Lowell.
Calro-Metropolis ³	Alexander, Massac, and Pulaski.		Towns in Middlesex County: Billerica, Chelmsford, Dracut, Tewksbury, and Tyngsborough.
Centralia.....	Clinton, and Marion.	New Bedford.....	City of New Bedford.
Harrisburg ⁴	Gallatin, Hardin, Pope, Saline, and White.		Towns in Bristol County: Achushnet, Dart- mouth, and Fairhaven.
Herrin-Murphysboro-West Frankfort ⁴	Franklin, Jackson, Johnson, Perry, Union, and Williamson.		Towns in Plymouth County: Marion and Mattapoisett.
Litchfield ³	Bond, Cbristian, Macoupin, and Montgomery.	Newburyport.....	City of Newburyport.
Mattoon.....	Coles, and Cumberland.		Towns in Essex County: Amesbury, Ipswich, Newbury, Rowley, Salisbury, and West Newbury.
Mount Vernon ⁴	Hamilton, Jefferson, and Wayne.	North Adams.....	City of North Adams.
Indiana:			Towns in Berkshire County: Adams, Clarks- burg, Florida, New Ashford, Savoy, and Williamstown.
Evansville.....	Vanderburgh, Henderson County, Ky.		Town in Franklin County: Monroe.
New Castle.....	Henry.	Michigan:	
Kansas: Pittsburg.....	Cherokee, and Crawford.	Adrian.....	Lenawee.
Kentucky:		Bay City.....	Bay.
Corbin ⁴	Clay, Knox, Laurel, and Whitley.	Detroit.....	Macomb, Oakland, and Wayne.
Danville.....	Boyle, Garrard, Lincoln, and Mercer.	Escanaba ⁴	Delta and Schoolcraft.
Elizabethtown ⁶	Grayson, Hardin, Larue, and Meade.		Townships in Menominee County: Harris, Meyer, and Spalding.
Hazard ⁴	Breathitt, Letcher, and Perry.	Marquette ⁴	Marquette and Alger County. ⁸
Hopkinsville.....	Caldwell, Christian, Todd, and Trigg.		
Madisonville ⁴	Hopkins, Muhlenberg, and Webster.		
Middlesboro-Harlan ⁴	Bell, Harlan, and Leslie.		
Morehead-Grayson ⁷	Carter, Elliott, Greenup, and Rowan.		
Paducah ⁴	Ballard, Graves, McCracken, and Marshall.		
Paintsville-Prestonsburg ⁴	Floyd, Johnson, Knott, Magoffin, and Martin.		
Pikeville-Williamson ⁶	Pike and Mingo County, W. Va.		
Richmond.....	Estill, Jackson, Madison, and Rockcastle.		

Footnotes at end of table.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

ACCELERATED PUBLIC WORKS PROGRAM— ELIGIBLE AREAS

(Redevelopment areas and areas of relatively continuous substantial unemployment eligible as of this date for participation in the accelerated public works program)

ADVICE TO USERS

In order to determine the eligibility of an area, users of this list should refer to the State in which their area of interest lies, in each of the four sections.

The areas in each section are arranged alphabetically by States and likewise within States. The first section lists redevelopment areas designated under section 5(a) of the Redevelopment Act. This is arranged under the name of the labor market area, defined in terms of counties, except in New England, Pennsylvania, and a few other areas where towns, townships, boroughs, cities or census county divisions are also used for definition.

The second section lists redevelopment areas designated under section 5(b) of the Redevelopment Act, listed alphabetically by State and county name.

The third section lists Indian reservation areas designated under section 5(b) of the Redevelopment Act. Listed are Indian reservation areas defined in terms of counties or parts of counties included in a reservation area.

The fourth section lists "areas of relatively continuous substantial unemployment" eligible for participation in the accelerated public works program and supplied by the Department of Labor. This list consists of labor market areas arranged alphabetically and defined in terms of counties as in the first section. Some labor market areas extend across State lines. In these instances the labor market area is listed under the State in which the central or principal city is located.

Section 5(a) redevelopment areas ¹—Continued

State and area	Area definition ² (counties unless otherwise noted)	State and area	Area definition ² (counties unless otherwise noted)
Michigan—Continued		Pennsylvania—Continued	
Monroe.....	Monroe.	Scranton.....	Lackawanna.
Port Huron.....	St. Clair.	Sharon-Farrell.....	Mercer.
Traverse City.....	Grand Traverse, Kalkaska, and Leelanau.	Sunbury-Shamokin-Mt. Carmel.....	Borough of Centralia.
Minnesota:			Township in Columbia County: Conyngham.
Brainerd-Grand Rapids ⁹	Aitkin, Cass, Crow Wing, and Itasca.		Montour, Northumberland, Snyder, and Union.
Duluth-Superior.....	City of Duluth in St. Louis County, Minn., Douglas County, Wis.	Uniontown-Connellsville.....	Fayette.
Hibbing-Virginia.....	St. Louis County, except city of Duluth.	Wilkes-Barre-Hazleton.....	Luzerne.
Missouri:		Puerto Rico (Commonwealth of):	Municipios of:
Flat River ⁹	Iron, Madison, St. Francois, Ste. Genevieve, and Washington.	Aguadilla.....	Aguada and Aguadilla.
Washington.....	Franklin.	Arecibo ³	Arecibo, Camuy, and Hatillo.
Montana:		Caguas ^{3, 4}	Agua Buenas, Caguas, Cidra, Gurabo, Juncos, and San Lorenzo.
Butte.....	Silver Bow.	Carolina.....	Carolina and Loiza.
Kalispell ³	Flathead and Lincoln.	Guayama.....	Arroyo, Guayama, and Patillas.
New Jersey:		Manati.....	Barceloneta, Ciales, Manati, and Morovis.
Atlantic City.....	Atlantic.	Mayaguez.....	Mayaguez.
Bridgeton.....	Cumberland.	Ponce.....	Ponce.
Lakewood-Toms River.....	Ocean.	San Juan.....	Bayamon, Cataño, Guaynabo, and San Juan.
Long Branch.....	Monmouth.	Yauco.....	Guanica, Guayanilla, and Yauco.
Ocean City-Wildwood-Cape May.....	Cape May.	Rhode Island:	
Paterson-Passaic ¹⁰	Passaic County.	Providence-Pawtucket.....	Bristol County, R.I.
New York:			City of Warwick.
Amsterdam.....	Montgomery.		Towns in Kent County: Coventry, East Greenwich, and West Warwick.
Auburn.....	Cayuga.		Towns in Newport County: Jamestown.
Gloversville.....	Fulton.		Cities of Central Falls: Cranston, East Providence, Pawtucket, Providence, and Woonsocket.
Jamestown-Dunkirk.....	Chautauqua.		Towns in Providence County: Burrillville, Cumberland, Johnston, Lincoln, North Providence, North Smithfield, and Smithfield.
Ogdensburg-Massena-Malone.....	Franklin and St. Lawrence.		Towns in Washington County: Narragansett and North Kingstown.
Oneonta.....	Otsego.		City of Attleboro.
Plattsburgh.....	Clinton.		Towns in Bristol County, Mass.: North Attleborough and Seekonk.
Schenectady ¹⁰	Schenectady.		Towns in Norfolk County, Mass.: Bellingham, Franklin, Plainville, and Wrentham.
Watertown.....	Jefferson.		Towns in Worcester County, Mass.: Blackstone and Millville.
North Carolina:			Horry.
Fayetteville ³	Cumberland.	South Carolina: Conway.....	
Henderson-Oxford.....	Franklin, Granville, and Vance.	Tennessee:	
Kinston.....	Lenoir.	Greeneville.....	Greene.
Lumberton.....	Robeson.	LaFollette-Jellico-Tazewell ³	Campbell and Claiborne.
Rockingham-Hamlet.....	Richmond.	Harriman-Rockwood.....	Roane and Morgan.
Wilson.....	Wilson.	Texas: Laredo.....	Webb.
Ohio:		Virginia: Big Stone Gap-Appalachia ³	Lee, Wisc, and independent city of Norton.
Ashtabula-Conneaut.....	Ashtabula.	Washington:	
Athens-Logan-Nelsonville ³	Athens, Hocking, and Vinton.	Aberdeen.....	Grays Harbor.
Batavia-Georgetown-West Union ³	Adams, Brown, and Clermont.	Anacortes.....	Skagit.
Cambridge.....	Guernsey and Noble.	Centralia.....	Lewis.
Kent-Ravenna.....	Portage.	Wenatchee.....	Chelan and Douglas.
Portsmouth-Chillicothe ³	Jackson, Pike, Ross, and Scioto.	Yakima.....	Yakima.
Oklahoma:		West Virginia:	
McAlester.....	Pittsburg.	Beckley.....	Raleigh.
Muskogee.....	Muskogee.	Bluefield.....	Mercer.
Okmulgee-Henryetta.....	Okmulgee.	Charleston.....	Kanawha.
Pennsylvania:		Clarksburg.....	Doddridge, Harrison, and Taylor.
Altoona.....	Blair.	Fairmont.....	Marion.
Berwick-Bloomsburg.....	Columbia, except Borough of Centralia and township of Conyngham.	Huntington-Ashland.....	Cabel, Wayne, Boyd, Ky., and Lawrence, Ohio.
Butler.....	Butler.	Logan ⁴	Boone (redefined area includes all of Boone County), Logan, and Lincoln (Harts Creek District). ¹²
Clearfield-DuBois.....	Boroughs of Philipsburg and South Philipsburg.	Morgantown.....	Monongalia.
	Township in Centre County: Rush.	New Martinsville.....	Tyler, Wetzel, and Monroe, Ohio.
	Clearfield.	Oak Hill-Montgomery.....	Fayette.
	Boroughs of Brookway, Falls Creek, Reynoldsville, and Sykesville.	Parkersburg.....	Pleasants, Ritchie, Wirt, and Wood.
	Townships in Jefferson County: Snyder, Washington, and Winslow.	Point Pleasant-Gallipolis ³	Jackson, Mason, Putnam, Gallia, Ohio, and Meigs, Ohio.
Erie.....	Erie.	Roneeverte-White Sulphur Springs.....	Greenbrier and Monroe.
Indiana.....	Indiana.	Welch.....	McDowell.
Johnstown.....	Cambria and Somerset.	Wheeling.....	Marshall, Ohio, and Belmont County, Ohio.
Kittanning-Ford City.....	Armstrong.	Wisconsin: La Crosse.....	La Crosse.
Lewistown.....	Junata and Mifflin.		
Meadville.....	Crawford except city of Titusville and Townships of Athens, Bloomfield, Oil Creek, Rome, Sparta, Steuben, Troy, and Boroughs of Centerville, Hydertown, Spartansburg, and Townville.		
New Castle.....	Lawrence.		
Pittsburgh.....	Allegheny, Beaver, Washington, and Westmoreland.		
Pottsville-Lehighton ¹¹	Carbon and Schuylkill.		
St. Marys ³	Cameron and Elk.		
Sayre-Athens-Towanda.....	Bradford.		

¹ The criteria are:

1. Unemployment is currently 6 percent or more of the work force, discounting seasonal or temporary factors, and has averaged at least 6 percent for the periods below; and

2. The annual average rate of unemployment has been at least:

(a) 50 percent above the national average for 3 of the preceding 4 calendar years;

or

(b) 75 percent above the national average for 2 of the preceding 3 calendar years; or

(c) 100 percent above the national average for 1 of the preceding 2 calendar years.

Sec. 5(a) areas are designated on the basis of data provided by the Department of Labor.

² Since being designated on June 9, 1961, as redevelopment areas, certain labor market areas have been geographically redefined by the Department of Labor. In most cases, a multiple county labor market area was split into single county "very small" labor market areas (normally subject to designation as redevelopment areas

under sec. 5(b) of the Area Redevelopment Act). In order to avoid confusion in the administration of the area redevelopment program, the original geographic structure of these labor market areas has been retained. If redefinition involved the addition of political units, such areas were added to the redevelopment area definition; no areas were dropped because of redefinition.

³ Redefined by Labor August 1961.⁴ Redefined by Labor September 1961.⁵ Redefined by Labor October 1961.⁶ Grayson County formerly designated as a sec. 5(b) redevelopment area.⁷ Redefined by Labor November 1961.⁸ Alger County previously designated as a sec. 5(b) redevelopment area, now part of the redefined Marquette labor market area.⁹ Redefined by Labor July 1961.¹⁰ Subarea.¹¹ Redefined by ARA to consist of the Pottsville and Lehighton-Palmerton labor market areas.¹² Remainder of Lincoln County designated as a sec. 5(b) redevelopment area.

SECTION 5(B) REDEVELOPMENT AREAS (EXCLUDING INDIAN RESERVATION AREAS)

Eligibility of each area listed below is indicated numerically by one or more of the following:

- (1) Areas of low income.
- (2) Areas of low farm income.
- (3) Rural development counties.
- (4) Areas of low production farming.
- (5) Very small areas of substantial and persistent unemployment.
- (6) Other.

*State and county name*¹

Alabama: Autauga (2), Barbour (2), Bibb (2), Blount (5), Bullock (1)(2)(4), Butler (5), Cherokee (5), Chilton (3)(5), Choctaw (1)(2)(4), Clarke (2)(4), Conecuh (1)(5), Coosa (3), Crenshaw (1), Cullman (5), Dallas (2)(4), De Kalb (5), Elmore (3), Fayette (3)(4)(5), Greene (1)(2)(4), Hale (1)(2)(4), Jackson (5), Lamar (1)(2), Limestone (5), Lowndes (1)(2)(4), Macon (1)(2)(4), Marengo (1)(2)(4), Marshall (5), Marion (6), Perry (1)(2)(5), Pickens (1)(2), Russell (2)(4), Saint Clair (5), Shelby (5), Sumter (1)(2)(4), Washington (1), Wilcox (1)(2)(4), Winston (5).

Alaska: Aleutian Islands, election district No. 14 (5); Barrow, election district No. 21 (5); Bethel, election district No. 16 (5); Bristol Bay, election district No. 15 (5); Cordova-McCarthy, election district No. 7 (5); Fairbanks, election district No. 19(5); Kenai-Cook Inlet, election district No. 12 (4)(5); Ketchikan, election district No. 2 (5); Kobuk, election district No. 22 (5); Kodiak, election district No. 13 (5); Kuskokwim, election district No. 17 (6); Lynn Canal-Icy Straits, election district No. 6 (5); Nome, election district No. 23 (5); Palmer-Wasilla-Talkeetna, election district No. 9 (5); Prince of Wales, election district No. 1 (5); Seward, election district No. 11 (5); Sitka, election district No. 4 (5); Upper Yukon, election district No. 20 (5); Valdez-Chitina-Whittier, election district No. 8 (5); Wade Hampton, election district No. 24 (5); Wrangell-Petersburg, election district No. 3 (5); Yukon-Koyukuk, election district No. 18 (5).

Arizona: Apache (1)(2), Mohave (3), Navajo (3).

American Samoa (Territory of): American Samoa (6).

Arkansas: Ashley (2), Baxter (6), Chicot (1)(2), Cleburne (6), Conway (5), Crittenden (1)(2), Desha (1)(2), Drew (6), Franklin (5), Fulton (3), Independence (3), Izard (3), Johnson (5), Lafayette (5), Lee (1), Lincoln (1)(2), Little River (6), Madison (1)(3), Marion (6), Montgomery (1), Newton (1), Perry (5), Phillips (2)(3), Polk (5), Scott (5), Searcy (1), Sharp (1), Stone (1), Van Buren (1)(2)(3), Woodruff (1)(3).

California: Del Norte (5), Lassen (5), Plumas (5), San Benito (5), Sierra (5), Siskiyou (5), Trinity (5).

Colorado: Alamosa (5), Clear Creek (2), Conejos (5), Costilla (5), Gilpin (2), Huerfano (5), Las Animas (5)(6).

Florida: Calhoun (5), Franklin (5), Holmes (1)(5), Jackson (3), Jefferson (1)(2), Lafayette (1), Liberty (6), Pasco (5), Suwannee (3), Walton (6), Washington (3).

Georgia: Baker (1), Baldwin (2), Banks (1)(2), Barrow (2), Brantley (5), Bryan (5), Bulloch (1), Burke (1)(2), Calhoun (1)(2), Chattahoochee (2) (except Fort Benning), Clay (1)(2), Crisp (2), Dawson (1)(2), Dooly (1)(2), Dougherty (2), Early (1)(5), Elbert

(2), Forsyth (1)(2), Franklin (1)(2), Glascock (1)(2), Gordon (5), Habersham (3), Hancock (1)(2)(4), Hart (6), Heard (1), Henry (2), Jefferson (1)(2), Jenkins (1)(2), Johnson (1)(2), Laurens (1)(2), Lee (1)(2), Lincoln (4), Lumpkin (1), Macon (1)(2), Marion (1)(2), McIntosh (2), Meriwether (3), Montgomery (1), Oglethorpe (1), Pulaski (2), Rabun (1), Randolph (1)(2), Schley (1), Screven (1)(2), Stewart (1)(2), Sumter (2), Talbot (1), Taliaferro (1)(2), Taylor (1)(2), Terrell (1)(2)(5), Toombs (2), Towns (1)(2), Twiggs (3), Union (1), Walton (2), Warren (1)(5), Washington (1)(2), Wayne (3), Webster (1)(2), Wheeler (5), White (1), Wilkes (1)(2), Worth (1)(2).

Guam (Territory of): Guam (6).

Hawaii: Hawaii (6).

Idaho: Benewah (5), Bonner (5), Boundary (5), Clearwater (5), Idaho (5), Kootenai (5), Shoshone-Avery-Clarkia CCD (5).

Illinois: Calhoun (5), Carroll (5), Edwards (5), Jersey (5), Richland (5), Marshall (5), Mercer (5), Monroe (5), Moultrie (5), Randolph (5).

Indiana: Clark (3), Clay (5), Crawford (3), Dearborn (5), Greene (5), Harrison (3), Jasper (5), Jennings (5), Lawrence (5), Martin (5), Monroe (3), Morgan (5), Ohio (3)(5), Orange (3), Perry (3), Pike (5), Pulaski (5), Ripley (3), Scott (5), Spencer (3), Stark (5), Sullivan (5), Switzerland (3), Vermillion (5), Washington (5).

Iowa: Appanoose (5)(6), Monroe (5)(6), Kansas: Rice (3).

Kentucky: Adair (1), Allen (3), Barren (3)(5), Bath (5), Breckinridge (5), Butler (1)(3), Calloway (5), Carlisle (5), Clinton (4), Crittenden (5), Cumberland (1), Edmonson (3), Fulton (5), Green (3), Hart (3), Hickman (5), Lawrence (4), Lee (1)(4), Lewis (3), Livingston (1), Logan (3), Lyon (5), Menifee (5), Metcalfe (1)(3)(5), McCreary (4)(5), Monroe (1), Morgan (1)(4), Nelson (5), Oldham (5), Owsley (1)(4), Pendleton (5), Powell (1), Pulaski (5), Russell (5), Scott (5), Shelby (5), Simpson (3), Warren (3), Wayne (5), Wolfe (4).

Louisiana: Arcadia (5), Allen (5), Ascension (5), Avoyelles (3), Catahoula (5), Concordia (5), East Carroll (1)(2)(3), East Feliciana (1), Evangeline (5), Franklin (3), Lafayette (4), Livingston (5), Madison (1)(2)(3), Natchitoches (1)(5), Red River (1), Sabine (5), St. John the Baptist (5), St. Martin (5) (except ward 6, south part), Tensas (1)(2)(3), Vermillion (5), Vernon (5), Washington (3), Webster (5), West Carroll (5).

Maine: Aroostook County (Fort Kent) (5), towns of Eagle Lake, Fort Kent, Frenchville, St. Agatha, and plantations of Allagash, New Canada, St. John, St. Francis, Wallagrass in Aroostook County; (Limestone) (5), towns of Grand Isle, Limestone, Madawaska, New Sweden, Stockholm, Van Buren, and plantations of Caswell, Cyr, Hamlin, Westmanland; (Patten) (5), towns of Crystal, Dyer Brook, Hersey Town, Island Falls, Merrill, Moro plantation, Oakfield, Sherman, Smyrna.

Maine: Remainder of Aroostook (6) (except Fort Kent, Limestone, and Patten (previously designated)), Hancock County (5), Knox County (5), Lincoln County (5), towns in Penobscot County (5), Mount Chase Plantation, Patten, Stacyville, T2, R6, W.E.L.S. (Herseytown), Piscataquis (5), Washington (3)(5).

Maryland: Calvert (5), Cecil (5), Garrett (3)(5), Somerset (5).

Massachusetts: City of Gloucester and towns of Essex and Rockport in Essex County (5), Dukes (4), towns in Plymouth County (5), Kingston, Plymouth, Plympton.

Michigan: Alger (3)(5), Antrim (5), Arenac (5), Baraga (3)(5), Benzle 5, Charlevoix (5), Cheboygan (5), Chippewa (3)(5), Crawford (5), Dickinson (3), Emmet (5), Gogebic (3)(5), Gratiot (5), Hillsdale (5), Houghton (3)(5), Huron (5), Iron (3), Keweenaw

(3)(5), Lake (5), Lapeer (5), Livingston (5), Luce (3)(5), Mackinac (3)(5), Manistee (5), Mecosta (5), Menominee (3) (except townships of Harris, Myer, Spalding), Missaukee (5), Oceana (5), Ontonagon (3), Osceola (5), Otsego (5), Presque Isle (5), Roscommon (5), Sanilac (5), Tuscola (5), Van Buren (5), Wexford (5).

Minnesota: Beltrami (3)(5), Carlton (3), Clearwater (3)(5), Cook (4), Douglas (5), Hubbard (3)(5), Kanabec (3), Koochiching (3), Lake (3), Lake of the Woods (3), Pennington (5), Piné (3)(5), Roseau (5).

Mississippi: Attala (1)(2)(5), Amite (3), Benton (1)(2), Bolivar (1)(2), Calhoun (3), Carroll (1)(2), Chickasaw (3), Choctaw (1)(2)(4), Claiborne (1)(5), Clarke (4), Clay (2), Copiah (3)(5), Covington (3), DeSoto (1)(2), Franklin (5), Hancock (5), Holmes (1)(2)(3), Humphreys (1)(2), Issaquena (1)(2), Jasper (1)(2), Jefferson (1)(2), Jefferson Davis (1)(2)(4), Kemper (1)(2)(4), Lafayette (1)(2), Lawrence (3), Leake (1)(2)(4), Leflore (2), Lincoln (5), Madison (1)(2)(4)(5), Marion (5), Marshall (1)(2), Neshoba (3)(4), Newton (1)(2), Noxubee (1)(2)(4), Oktibbeha (2), Panola (1)(2), Perry (5), Pike (3), Pontotoc (5), Quitman (1)(2), Sharkey (1)(2), Simpson (3), Smith (1), Sunflower (1)(2), Tallahatchie (1)(2)(5), Tate (1)(2), Tippah (3), Tunica (1)(2), Walthall (1), Warren (2), Washington (2), Webster (1), Wilkinson (1)(2)(4), Winston (1)(2), Yalobusha (1)(2), Yazoo (1)(2).

Missouri: Bollinger (1), Carter (6), Dallas (1), Douglas (1)(3), Dent (3), Grundy (3), Hickory (1), Howell (3), Lafayette (5), Mercer (3), Ozark (1), Oregon (6), Pemiscot (5), Reynolds (1), Ripley (1), Shannon (1), Stone (3), Texas (6), Taney (3), Wayne (6), Wright (1).

Montana: Carbon (5), Deer Lodge (6), Lake (3), Ravalli (3), Sanders (5).

Nebraska: Boone (3), Buffalo (3), Custer (3), Dawson (3), Garfield (3), Greeley (3), Howard (3), Loup (3), Nance (3), Sherman (3), Valley (3), Wheeler (3).

Nevada: Lincoln (3) Mineral (4).

New Hampshire: Grafton (6).

New Mexico: Catron (3), Colfax (5), Grant (5), Guadalupe (3), McKinley (2)(4), Mora (1)(5), Rio Arriba (3)(5), Sandoval (1)(3)(4)(5), San Juan (3), San Miguel (3)(5), Santa Fe (3), Socorro (3)(5), Taos (4)(5), Torrance (3)(5), Valencia (3).

New York: Essex (5), Schoharie (5).

North Carolina: Alleghany (1), Anson (3)(5), Ashe (1)(4), Avery (4)(5), Bertie (3), Bladen (5), Carteret (5), Cherokee (5), Chowan (5), Clay (5)(6), Columbus (5), Gates (1), Graham (4)(5), Hoke (2), Hyde (1), Lincoln (5), Macon (5), Madison (1)(4)(5), Mitchell (4)(5), Northampton (6), Person (5), Sampson (5), Swain (4)(5), Warren (5), Washington (5), Watauga (1)(3)(4), Yancey (4)(5).

Ohio: Highland (3), Morgan (3), Perry (5), Washington (3).

Oklahoma: Adair (1), Atoka (5), Cherokee (1)(3)(5), Choctaw (1)(3), Coal (5), Delaware (5), Grady (5), Greer (5), Haskell (5), Hughes (5), Johnston (5), Latimer (3), LeFlore (5), Lincoln (5), Love (5), Marshall (5), Mayes (5), McCurtain (5), McIntosh (1), Murray (5), Nowata (5), Ottawa (5), Okfuskee (5), Pontotoc (5), Pushmataha (1), Sequoyah (5), Wagoner (5).

Oregon: Clatsop (5), Columbia (5), Hood River (5), Josephine (5), Lincoln (3)(5), Sherman (5), Wasco (5), Yamhill (5).

Pennsylvania: Bedford (3)(5), Clarion (3)(5), Clinton (3), Forest (3), Fulton (3), Greene (3)(5), Huntingdon (3)(5), Jefferson (5),² Lycoming (3), McKean (3), Monroe (3),

²Jefferson, except boroughs of Brockway, Falls Creek, Reynoldsville, and Sykesville, Townships of Snyder, Washington, and Winslow (i.e., that portion outside of Clearfield-DuBois area).

¹The political subdivisions of the State of Alaska have not yet been formally determined. Election districts are used currently as subdivisions of the State. Subdivisions in Louisiana are parishes and in Puerto Rico are municipios. Subdivisions of counties in West Virginia are magisterial districts and in Idaho are census county divisions.

Perry (5), Pike (3), Potter (3) (5), Sullivan (3) (5), Susquehanna (3) (5), Tioga (3), Venango (3), Warren (3), Wayne (3), Wyoming (3) (5).

Puerto Rico (Commonwealth of): Barranquitas (3), Ceiba (5), Comerio (3), Corozal (3), Fajardo (5), Humacao (5), Las Piedras (5), Luquillo (5), Maunabo (5), Naguabo (5), Naranjito (3), Orocovis (3), Quebradillas (5), Salinas (5), Trujillo Alto (5), Vega Alto (5), Vega Baja (5), Yabucoa (5).

South Carolina: Aiken (2), Allendale (1) (2), Bamberg (1) (2) (3), Barnwell (1) (2), Beaufort (1) (2), Berkeley (1) (3) (4), Calhoun (1) (2), Chester (2), Chesterfield (3), Clarendon (1), Colleton (3) (5), Darlington (3), Dorchester (3), Hampton (2), Jasper (3), Kershaw (3), Lancaster (3), Lee (1) (2), Marlboro (1) (2) (5), McCormick (2) (4), Orangeburg (1) (2), Williamsburg (1).

South Dakota: Shannon (1).

Tennessee: Benton (6), Bledsoe (6), Clay (1), Cocke (5), Cumberland (5), Decatur De Kalb (1), Dickson (5), Fayette (1) (2), Fentress (6), Grainger (1) (3), Grundy (5) (6), Hancock (1) (4), Hardeman (1) (2), Hardin (3) (5), Hickman (5), Houston (1) (3),

Humphreys (5), Jackson (1), Johnson (1), Macon (1) (3), Marion (3) (5), McNairy (5), Overton (1) (4), Perry (1), Pickett (1) (4), Putnam (6), Rhea (5), Robertson (5), Scott (5), Sequatchie (5) (6), Sevier (5), Smith (5), Unicoi (4), Union (1) (4), Van Buren (1), Wayne (5), White (5).

Texas: Anderson (3), Angelina (3), Bowie (3), Camp (3), Cass (3), Cherokee (3), Delta (3), Dimmit (2), Falls (5), Franklin (3), Freestone (3), Gregg (3), Harrison (3), Henderson (3), Hopkins (3), Houston (3), Jasper (3), Kenedy (1) (2), Lamar (3), Leon (3), Limestone (5), Madison (3), Marion (3), McCulloch (5), Montgomery (3), Morris (3), Nacodoches (3), Newton (3), Panola (3), Polk (3), Rains (3), Red River (3), Robertson (3), Rusk (3), Sabine (3), San Augustine (1) (2) (3), San Jacinto (1), Shelby (3), Smith (3), Terrell (2), Titus (3), Trinity (3), Tyler (2), Upshur (3), Val Verde (2), Van Zandt (3), Waller (1), Wood (3), Zapata (1) (2).

Utah: Beaver (5), Carbon (5), Emery (5), Garfield (5), Juab (5), Sanpete (5), Summit (5), Wasatch (5).

Vermont: Caledonia (6), Essex (6), Orleans (6).

Virginia: Buchanan (4), Carroll (3) (4), Cumberland (1) (3), Dickenson (4) (5), Fluvanna (1), Galax, Independent City of (6), Grayson (3), Lancaster (5), Northumberland (5), Richmond (5), Russell (5), Scott (4), Westmoreland (5).

Virgin Islands (Territory of the): Virgin Islands (6).

Washington: Clallam (5), Ferry (3), Jefferson (5), Kittitas (5), Okanogan (5), Pend Oreille (3) (5), Pacific (5), San Juan (5), Stevens (3) (5).

West Virginia: Braxton (3) (5), Calhoun (4) (5), Clay (4) (5), Gilmer (3) (5), Grant (5), Hampshire (5), Hardy (5), Lewis (3) (5), Lincoln—except Harts Creek District (5), Morgan (5), Nicholas (5), Pendleton (5), Pocahontas (5), Preston (5), Randolph (5), Roane (5), Summers (3) (5), Tucker (5), Upshur (3) (5), Webster (5), Wyoming (6).

Wisconsin: Ashland (3) (5), Bayfield (3) (5), Burnett (3), Door (5), Florence (3), Forest (3) (5), Iron (3) (5), Juneau (5), Langlade (3), Lincoln (3), Marinette (3), Menominee (6), Oneida (3), Portage (5), Price (3) (5), Rusk (3), Sawyer (3) (5), Taylor (3), Vilas (3), Washburn (3).

Wyoming: Big Horn (5), Lincoln (5).

Sec. 5(b) redevelopment areas and Indian reservation areas

State and reservation	County	State and reservation	County
Alaska: ¹		New Mexico:	
Bristol Bay area.....		Acoma.....	Valencia.
Norton Sound area.....		Isleta Pueblo.....	Bernalillo and part of Valencia.
Cook Inlet area.....		Laguna Pueblo.....	Valencia and parts of Bernalillo and Sandoval.
Southeast area ²		Jemez.....	Sandoval.
Arizona:		Jicarilla.....	Rio Arriba and small part in Sandoval.
Colorado River.....	Yuma (Ariz.) and parts of Riverside and San Bernardino (Calif.).	Mescalero.....	Otero.
Fort Apache.....	Apache, Gila, and Navajo.	Ramah.....	McKinley and Valencia.
Gila River.....	Pinal and Maricopa.	Santo Domingo.....	Rio Arriba, Sandoval, and Santa Fe.
Hopi.....	Navajo and Coconino.	Zuni.....	McKinley and Valencia.
Navajo.....	Apache, Coconino, Navajo (Ariz.), McKinley (N. Mex.), San Juan (N. Mex.), and San Juan (Utah).	North Carolina: Eastern Cherokee.....	Graham, Jackson, and Swain.
Papago.....	Maricopa, Pima, and Pinal.	North Dakota:	
San Carlos.....	Gila, Graham, and Pinal.	Fort Berthold.....	Dunn, McKenzie, McLean, Mercer, and Mountrail.
Salt River.....	Maricopa.	Fort Totten or Devils Lake.....	Mainly Benson and Eddy; parts of Nelson and Ramsey.
Idaho:		Standing Rock Sioux.....	Sioux (N. Dak.) and Corson (S. Dak.).
Fort Hall.....	Bannock, Bingham, Caribou, and Power.	Turtle Mountain.....	Rolette.
Nez Perce.....	Clearwater, Idaho, Lewis, and Nez Perce.	Oregon: Warm Springs.....	Wasco, Jefferson, Clackamas, Marion, and Linn.
Minnesota: Northern Minnesota reservation area (Leech Lake, Nett Lake, Red Lake, and White Earth).	Beltrami, Becker, Cass, Clearwater, Itasca, Koochiching, Mahnommen, and St. Louis.	South Dakota:	
Mississippi: Choctaw.....	Attala, Jones, Leake, Neshoba, Newton, Kemper, and Scott.	Cheyenne River.....	Mainly Dewey and Ziebach; parts of Haakon, Meade, Perkins, and Stanley.
Montana:		Crow Creek-Lower Brule.....	Mainly Buffalo and Hughes; parts of Brule and Hyde, Lyman, and Stanley.
Blackfoot.....	Pondera and Glacier.	Pine Ridge.....	Bennett, Shannon and Washabaugh.
Crow.....	Yellowstone and Big Horn.	Rosebud.....	Mainly Todd; parts of Mellette, Tripp, and Gregory.
Flathead.....	Missoula, Flathead, Lake, and Sanders.	Sisseton.....	Mainly Marshall and Roberts (S. Dak.); parts of Sargent and Richland (N. Dak.).
Fort Belknap.....	Blaine and Phillips.	Yankton.....	Charles Mix and Bon Homme.
Fort Peck.....	Roosevelt ³ and parts of Valley, Daniels, and Sheridan.	Utah: Uintah and Ouray.....	Mainly Duchesne; parts of Grand, Uintah, and Wasatch.
Northern Cheyenne.....	Big Horn and Rosebud.	Washington:	
Rocky Boys.....	Chouteau and Hill.	Colville.....	Mainly Perry and Okanogan; part of Stevens.
Nebraska: Omaha-Winnebago.....	Mainly Thurston; parts of Burt, Cuming, and Dixon.	Yakima.....	Mainly Yakima; part of Klickitat.
Nevada: Pyramid Lake.....	Washoe, part.	Wisconsin: Northwestern Wisconsin reservation area (Bad River, Lac Courte Oreilles, Lac du Flambeau, Red Cliff, and St. Croix).	Ashland, Bayfield, Burnett, Iron, Oneida, Polk, Sawyer, and Vilas.
		Wyoming: Wind River.....	Mainly Fremont; part of Hot Springs.

¹ There are no Indian reservations as such in Alaska.

² Includes all of southeast Alaska south of Yakutat Bay, except the incorporated cities of Juneau and Sitka.

³ All of Roosevelt County is now designated as a redevelopment area.

State and area	Area definition (counties unless otherwise noted)
Alabama:	
Aniston.....	Calhoun.
Birmingham.....	Jefferson.
Selma.....	Dallas. ²
Talladega.....	Talladega.
California:	
Eureka.....	Humboldt.
Fresno.....	Fresno.
Oxnard.....	Ventura.
San Bernardino-Riverside-On-	Riverside and San Bernardino.
tarlo.....	
San Diego.....	San Dlego.
Stockton.....	San Joaquin.
Colorado: Pueblo.....	Pueblo.
Connecticut:	
Bridgeport.....	Towns in Fairfield County: Bridgeport,
	Easton, Fairfield, Monroe, Shelton, Strat-
	ford, Trumbull.
Meriden.....	Town in New Haven County: Milford.
Middletown.....	Town in Hartford County: Southington.
New Britain.....	Towns in New Haven County: Meriden and
Norwich.....	Wallingford.
Torrington.....	Town in Hartford County: Marlborough.
	Middlesex County.
	Towns in Hartford County: Berlin, New Brit- ain, and Plainville.
	Towns in New London County: Bozrah, Col- chester, Franklin, Griswold, Lisbon, Nor- wich, Preston, Sprague, and Voluntown.
	Towns in Hartford County: Burlington and Hartland.
	Towns in Litchfield County: Barkhamsted, Canaan, Colebrook, Cornwall, Goshen, Har- winton, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Salisbury, Sharon, Torrington, and Winchester.
Waterbury.....	Towns in Litchfield County: Bethlehem, Thomaston, Watertown, and Woodbury.
	Towns in New Haven County: Beacon Falls, Cheshire, Middlebury, Naugatuck, Pros- pect, Southbury, Waterbury, and Wolcott.
Willimantic.....	Town in New London County: Lebanon.
	Towns in Tolland County: Andover, Colum- bia, Coventry, Hebron, Mansfield, Union, and Willington.
	Towns in Windham County: Ashford, Chap- lin, Hampton, Scotland, and Windham.
Kent.....	
Delaware: Dover.....	
Florida:	
Fort Lauderdale-Hollywood.....	Broward.
Miami.....	Dade.
Georgia: Tooeva.....	Franklin, ² Habersham, ² and Stephens.
Illinois:	
Canton.....	Fulton.
Danville.....	Vermilion.
Decatur.....	Macon.
Galesburg.....	Henderson, Knox, and Warren.
Kankakee.....	Kankakee.
Ottawa-La Salle.....	Bureau, La Salle, Livingston, and Putnam.
Indiana:	
Connersville.....	Fayette, Franklin, Rush, and Union.
Evansville.....	Vanderburgh ² and Henderson, ² Ky.
Michigan City-La Porte.....	La Porte.
Muncie.....	Delaware.
South Bend.....	St. Joseph.
Terre Haute.....	Vigo.
Vincennes.....	Knox.
Kansas: Coffeyville-Independence-Parsons.....	Lafette and Montgomery.
Kentucky: Owensboro.....	Daviess.
Louisiana:	
Alexandria.....	Avoyelles Parish, ² Grant Parish, and Rapides Parish.
Lake Charles.....	Caleasieu Parish.
New Orleans.....	Jefferson Parish, Orleans Parish, and St. Bernard Parish.
Maine: Lewistons-Auburn.....	City of Auburn.
	City of Lewiston.
	Town of Androscoggin County: Lisbon.
Massachusetts:	
Brockton.....	Town in Bristol County: Easton.
	Towns in Norfolk County: Avon and Stough- tun.
	City of Brockton.
	Towns in Plymouth County: Abington, Bridg- ewater, East Bridgewater, Hanson, West Bridgewater, and Whitman.
Lawrence-Haverhill.....	City of Lawrence.
	City of Haverhill.
	Towns in Essex County: Andover, Groveland, Methuen, and North Andover.
	Towns in Rockingham County, N.H.: Plais- tow and Salem.
Milford.....	Towns in Norfolk County: Medway and Millis.
	Towns in Worcester County: Hopedale, Men- don, Millis, and Uxbridge.
Springfield-Chicopee-Holyoke.....	City of Chicopee.
	City of Holyoke.
	City of Springfield.
	City of Westfield.
	Towns in Hampden County: Agawam, East Longmeadow, Longmeadow, Ludlow, Mon- son, Palmer, West Springfield, and Wilbraht ham.
Massachusetts—Continued	
Springfield-Chicopee-Holyoke....	City of Northampton.
	Towns in Hampshire County: Easthampton, Hadley, and South Hadley.
	Town in Worcester County: Warren.
Michigan:	
Battle Creek.....	Calhoun.
Holland Grand Haven.....	Ottawa.
Jackson.....	Jackson.
Muskegon-Muskegon Heights....	Muskegon.
Mississippi:	
Biloxi-Gulfport.....	Harrisou.
Greenville.....	Washington. ²
Laurel.....	Jones.
Tupelo.....	Lee.
Missouri:	
Cape Girardeau.....	Cape Girardeau.
Kansas City.....	Clay, Jackson, Johnson, and Wyandotte, Kans.
New Jersey:	
Jersey City.....	Hudson.
Newark.....	Essex, Morris, and Union.
New Brunswick-Perth Amboy....	Middlesex and Somerset.
Newton.....	Sussex.
New York:	
Batavia.....	Genesee.
Buffalo.....	Erie and Niagara.
Elmira.....	Chemung.
Glens Falls-Hudson Falls.....	Warren and Washington.
Newburgh-Middletown-Beacon....	City of Beacon.
	Town in Dutchess County: Fishkill.
	Orange and Putnam.
	Cattaraugus.
	Osego. ²
	Herkimer and Oneida.
	Jefferson. ²
	Allegany.
North Carolina:	
Durham.....	Durham.
Elizabeth City.....	Camden, Currituek, Pasquotank, and Per- quimans.
Fayetteville.....	Cumberland and Hoke. ²
Forest City-Rutherfordston.....	Rutherford.
Greenville.....	Pitt.
Hendersonville.....	Henderson.
Lumberton.....	Robeson. ²
Mount Almy.....	Surry and Yadkin.
North Wilkesboro.....	Wilkes.
Rocky Mount.....	Edgecombe and Nash.
Wilson.....	Wilson. ²
Ohio:	
Athens.....	Athens. ²
Canton.....	Stark.
East Liverpool-Salem.....	Carroll and Columbiana.
Fremont.....	Sandusky.
Hamilton-Middletown.....	Butler.
Loraln-Elyria.....	Lorain.
Mount Vernon.....	Knox.
New Philadelphia-Dover.....	Tuscarawas.
Toledo.....	Lucas.
Youngstown-Warren.....	Mahoning and Trumhull.
Zanesville.....	Muskungum.
Oaklahoma: Shawnee.....	Pottawatonic.
Oregon:	
Klamath Falls.....	Klamath.
North Beud-Coos Bay.....	Coos.
Roseburg.....	Douglas.
Pennsylvania:	
Bradford.....	McKean. ²
Gettysburg.....	Adams.
Lock Haven.....	Clinton. ²
Oil City-Franklin-Titusville....	City of Titusville;
	Townships in Crawford County: ² Athens, Bloomfield, Oil Creek, Rome, Sparta, Steu- ben, and Troy;
	Boroughs in Crawford County: ² Centerville, Hydetown, Spartansburg, and Townville.
	Forest and Venango. ²
	Bucks, Chester, Delaware, Montgomery, Philadelphia, Burlington, N.J., Camden, N.J., and Gloucester, N.J.
	Warren. ²
	Lyeoming. ²
	Municipios of Bayamon, ² Catano, ² Guaynabo, ² and San Juan. ²
Philadelpha.....	
Warren.....	
Williamsport.....	

² Areas previously designated as redevelopment areas for reasons other than unemployment.

Mr. YARBOROUGH. Mr. President, I think at this point we should direct our attention to the Area Redevelopment Act, to which the accelerated public works program applies. That act was Senate bill 1, last year. A number of Senators, including myself, were cosponsors of the bill; but its chief sponsor and author was the Senator from Illinois [Mr. DOUGLAS]. That bill was passed; and, under the rigid criteria established in the bill, approximately 30 out of a total of 254 counties in my home state of Texas were designated as distressed area counties. At that time there was an immediate hue and cry from chambers of commerce; it was said that the counties designated had been slandered by being called distressed areas; and some Senators were asked to protest against that action—even though the result would have been to cripple the administration of the act. But within a year that sentiment has changed very greatly—so much so, that now we receive telephone calls from bankers who say, "This act can be the salvation of many counties. Is there any way our county can be designated an area redevelopment county?" This is because the act was a well thought out act, by the distinguished Senator from Illinois [Mr. DOUGLAS] and it is an extremely well administered act, under the able direction of Mr. William Batt, Administrator of ARA.

Mr. President, although the first counties in Texas to be designated as area redevelopment counties were in the eastern part of the State, in the so-called Old South section of the State, the old cotton-producing area, where there are ample amounts of rainfall and ample supplies of timber, lignite, oil, and gas, yet it is a fact that people there are having to leave, because of the absence of employment. The great needs are for planning, management, and capital. It was in that area that the first Texas counties to be designated area redevelopment counties are located. But the act has proved to be such a valuable one that at the present time the Area Redevelopment Agency has received an application from Brewster County, west of the Pecos River, in the western part of Texas and from central Texas, and west Texas, anxious to come under the act; and many persons who a year ago criticized the act, now are saying it is the most important and most valuable aid for redevelopment of the counties, without boondoggling in our entire history. There is no boondoggling in connection with the act, because under it provision must be made for making repayment for the aid received.

Mr. President, the safeguards placed around the use of this \$500 million authorized under this proposed accelerated public works program are adequate to protect against hasty or ill-considered projects. The administration to which it is intrusted is proven, the amount of money is well within the modest limits our country's needs demand. I urge the defeat of the Miller amendment, and passage of this bill as reported.

The PRESIDING OFFICER. The time yielded to the Senator from Texas has expired.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Florida.

The PRESIDING OFFICER. The Senator from Florida is recognized for 5 minutes.

Mr. HOLLAND. First, Mr. President, I do not think any other bill which annually comes before the Senate is so carefully prepared or is based on such careful hearings as is the regular public-works appropriation bill for the civil functions of the Army Engineers and the other activities which are covered by the bill. For that, we are most grateful to the Senator from Louisiana [Mr. ELLENDER], who presides in so meticulous and fair a manner over the subcommittee which deals with the appropriation needs for the activities covered by a large part of the bill. I would also be derelict in the performance of my duty if I did not state that the great Senator from Louisiana has always been exceedingly fair in considering the needs of the great State which I represent in part, and also in considering the needs of all the other States. I have observed the very great care with which he considers the distribution of the funds for the important activities dealt with by this regular appropriation bill.

I am only sorry that the emergency program has been added to the bill—for the reason that no adequate hearings were possible, as has already been stated by the Senator from Louisiana, and for the further reason that the activities included under this program are not those which, in the main, come within the purview of this regular appropriation bill. Most of them have to do with area redevelopment activities, which come under another bill; or with the Bureau of Public Roads activities in regard to forest highways which come under another bill; or with the community facilities program, which comes under still another bill.

I dislike very much to see the fine work done in the preparation of this annual bill clouded by the addition of a measure which could not be properly prepared and which does not cover at all the fields of activity with which this committee is familiar and with which it has labored.

This is no criticism of the action of the chairman of the committee in consenting, at the request of the administration, to place that item in this bill, but at the same time the Senator from Florida calls attention to the fact that it adds a very loosely drawn and poorly supported emergency program to the very fine and permanent program which has been carefully prepared.

I call attention to the fact that the major items which are to be covered by this emergency program are the ones which I shall mention. In the field of area redevelopment the House has already approved an appropriation of more than \$162 million for 1963 for that activity. The subcommittee of which I am a member has already approved an item of over \$162 million, which will be approved by the full committee and the Senate next Monday or Tuesday.

That great program—and it is a fine program—has to be administered as the

principal duty of the Area Redevelopment Administration in a fiscal year one-fourth of which has already expired, and to try to commit a large part of the \$500 million which would already lie in that same field. To do it carefully presents an impossibility and a difficulty which the Area Redevelopment Administration cannot solve.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. SALTONSTALL. I yield 4 additional minutes to the Senator from Florida.

Mr. HOLLAND. I thank the Senator.

In the field of forest highways, which subject again is pending in the committee of which I am a member, an item of \$32 million has been approved by the subcommittee. It will go before the full committee and the Senate next week. I am satisfied it will be approved. That program has to be handled as its regular function in the 9 months that remain of the 12 months of this fiscal year by the division which handles that activity.

In the Interior Department bill, for forest trails and access roads there is already provided \$39½ million. That bill has already been passed and has become law. The program must be handled by those who ordinarily take care of that activity. It represents a large task for those who must perform it in the 9 months ahead.

In the field of community facilities there is an item of \$100 million to be handled by the Community Facilities Administration of the Housing and Home Finance Agency. It presents a large program for them to handle this year.

The point I am making is that when we pile a tremendous amount of work on the backs of agencies already confronted with heavy duties and responsibilities in the expenditure of large amounts of money, we almost guarantee carelessness and the use of anything other than the appropriate degree of care and concern in the expenditures of these particular funds.

This subject must come back before the Senate and the House shortly after the beginning of the next year through a supplemental bill, because as here proposed, there would be only an appropriation of \$500 million out of the \$900 million authorized for the salutary purposes covered by the bill, for which I voted.

I call attention to the fact—and Senators can look at their calendars if they wish—that the first supplemental appropriation bill was passed this year by the Senate on February 2, and was signed by the President on February 13, indicating that no great delay will be necessary after we come back in January of next year.

I think there will be a much more careful performance and one which will commend this program more fully to the Congress and the public if we limit further the amount proposed in the full committee report.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. HOLLAND. May I have 1 more minute?

Mr. SALTONSTALL. Mr. President, I yield 1 more minute to the Senator from Florida.

Mr. HOLLAND. I thank the Senator. The Senator from Florida supported the \$300 million amount in the subcommittee, and he was outvoted. It went to \$400 million. He supported the \$400 million amount in the full committee. Those who did not hear the vote and did not know how little we were able to learn about the program thought it should be \$500 million, instead of the \$400 million suggested by the subcommittee.

I hope the amendment will prevail. I would have preferred that the amount be \$400 million rather than \$300 million.

We should not expect a careful job to be done if we give more money than can be obligated between now and the first of February of next year.

I yield the floor.

Mr. ELLENDER. Mr. President, I yield 10 minutes to the distinguished Senator from Oklahoma [Mr. KERR].

Mr. KERR. I thank the distinguished Senator from Louisiana.

Mr. President, I wish to stress what the distinguished Senator from Florida said about the careful approach and analysis that characterize the work of the great Senator from Louisiana [Mr. ELLENDER] in his chairmanship of the Appropriations Subcommittee on Civil Functions or Public Works Projects. I do not know of any Senator who does a finer job or one who does it more carefully. I am of the opinion that it is a blessing indeed that this program was before his subcommittee and had the benefit of his careful scrutiny in the matter.

I think the provision by the authorization act on the one hand and this appropriation on the other are among the most important pieces of legislation in this Congress. We have a great overall program of development of our natural resources, soil and water resources, and human resources. Many of those programs will be the beneficiaries of this appropriation. But the justification for this program is in the fact that many areas in our country have excessive unemployment and acute economic problems, and are economically distressed. It is the hope of the Congress and of the President not only that the funds made available under this program can be used to provide additional projects in our communities and in our rural areas, but also that it may be done in such a way as to provide employment where it is most needed in our country today.

I was a little shocked by what the Senator from Iowa said. He said it was true that there were areas with excessive unemployment, that there were areas suffering from distressed economic conditions, and that the bill would provide employment for a period of 12 to 18 months—but what about the situation after that? That was the question he asked.

Mr. President, that kind of philosophy applied to treatment of a patient by a physician might result in many premature deaths and casualties which otherwise could be avoided. Certainly no

physician would decline to treat a patient who needed treatment today because he was unable to tell the patient what he would be able to do as to treating him after the application of the treatment prescribed for the needs of the patient at the time.

Would it not be a tragedy, Mr. President, to say to those who are unemployed, who have hoped to be employed with the funds to be made available by the pending appropriation, that the opportunity for immediate employment and for employment for a period of 1 or 2 years is to be denied because the bill would not make provision for employment of those people after the expiration of the program?

Rather than that being an argument against providing \$500 million, actually it would be an argument for a greater program and for a larger appropriation.

It is not the purpose of the measure to provide a permanent program. There are permanent regular programs in every field with reference to which the funds are to be made available, for augmentation. I say that those are among the finest programs of this Government. This money is to be provided to meet emergency needs.

Criticism has been made on the ground that the power of the Congress would be taken away by passage of the legislation. Mr. President, one of the greatest powers of the Congress is the most efficiently and effectively used by the passage of the bill. That is the power to appropriate funds, not only to pay for much-needed and worthwhile projects in our rural areas, but also—while meeting definite and evident needs—to pay for projects in our local communities and metropolitan areas.

Passage of this bill will make additional employment available in areas of excessive unemployment and economic distress.

Congress will surrender no power. Congress will implement its power. Congress has laid down the specifications for various programs to be beneficiaries of the act. Congress has fixed the specifications for those programs. The money is to be used for them.

With reference to the amount, we come to the closing days of this session in late September and early October. The authorization has just been finalized and signed into law. The Federal agencies have just been alerted to that fact that the money will be available. The local communities either have just learned or are learning of this. A large percentage of those who may be beneficiaries under the program have not yet even learned of the fact that the money will be made available for their use.

The program will provide for augmentation and for handling in such a way so as not to be long-drawnout, so that its principal stimulating effect will be in the next 12 to 18 months. In order for that to be effected, the agencies which will handle the money and the local communities, rural areas and metropolitan areas which will be beneficiaries, which will have to provide the local matching funds, oftentimes by means of authorization and sale of

bonds, must have the time in which to have an opportunity to get the benefit of this program.

Rather than reduce the amount, we could well increase it. But the committee made it very plain that the question would again be before Congress in the early part of the next session. After the experience that will come with the utilization of the \$500 million to be provided, the committee can then consider, early in the next session, the justification of an appropriation of an additional amount authorized.

I visualize a great boon to many areas in our country by reason of the authorization and appropriation. Communities otherwise unable to have adequate sewage facilities and water systems, and in many places public buildings and streets, under the terms of the authorization and appropriation will be able to meet those needs, to have those benefits, and to provide employment for those who have long been unemployed.

I know of great areas in our country—and some areas in every State in our country—where such conditions exist, where today the people are waiting for action by the Congress on this bill, so as to learn that the money will be available to give them an opportunity to take advantage of the program.

The PRESIDING OFFICER. The time of the Senator from Oklahoma has expired.

Mr. ELLENDER. Mr. President, I yield 1 additional minute to the Senator from Oklahoma.

Mr. KERR. It is my hope that the full amount of \$500 million will be retained in the bill, accepted by the House, and made into law, because thereby one of the truly effective, best-justified and most humanitarian programs I have seen since I came to the Congress will be implemented and put on the road, and benefits will be widespread across the land.

Mr. SALTONSTALL. Mr. President, I yield 5 minutes to the Senator from Colorado [Mr. ALLOTT].

The PRESIDING OFFICER. The Senator from Colorado may proceed for 5 minutes.

Mr. ALLOTT. Mr. President, I speak in support of the amendment offered by the distinguished Senator from Nebraska.

I wish to confine myself to some three or four points with respect to the amendment.

I realize that this is a "crash program." I am on the horns of a dilemma. I am unable to understand the direction in which the country is going. We hear from all sides how prosperous the country is and how far the New Frontier has pushed it into prosperity, yet the Senate is now considering this requested \$900 million appropriation; and even more was asked when the bill and the authorization request came to the Congress.

I do not believe any businessman or anybody with an ordinary sense of prudence would expend any money at all or appropriate any money at all upon the justification which was given by the Department officials. I had the privilege of sitting through all those hearings. I

do not think there is a businessman in the United States who would authorize the expenditure of any money upon the basis of the nebulous justifications which were given to us in the Appropriations Committee. That is my first point.

We also face the reality that there are pockets of unemployment which need help. It is true that there are. The prosperity of which we hear so much has not spread itself all around the country. Therefore, perhaps we must do something. What should we do?

I read from page 2 of the hearings. In their own justification they said:

It is estimated that we have available a pool of projects aggregating \$300 million that could be initiated within 3 months, from which selections can be made.

I wish to read from page 23 of the hearings, at which point Mr. Bozman was being questioned by the distinguished chairman of the committee. At this time I pay tribute to him for the magnificent job he has done upon the entire report. Mr. Bozman said:

And on that basis, we feel that we could start—I am not giving expenditures; I am giving project starts—approximately \$200 million in projects 3 months after the funds were made available.

Senator ELLENDER. Three months after?

Mr. BOZMAN. Yes. Is that right?

Mr. GUDEMAN. Those are the Federal projects.

Mr. BOZMAN. These are direct Federal.

Mr. GUDEMAN. These are direct Federal that he was reading.

By way of interlineation, if my reading of the testimony seems confusing to Senators, it was no more confusing than it was to the committee when those gentlemen were trying to testify before our committee as to what they were trying to justify. I continue to read:

Mr. BOZMAN. Now, in addition, there is approximately \$95 million worth that we feel could be done with State and local projects, making a total of approximately \$321 million.

Senator ELLENDER. That you could obligate between now and 3 months, you said?

Mr. BOZMAN. Yes.

Senator ELLENDER. So that suppose this committee would decide to authorize you to proceed, say, with \$350 million; would that be sufficient to carry you over until January 15?

Mr. GUDEMAN. No, sir; I do not think it would.

Senator ELLENDER. Why not, if you cannot obligate more than \$300 million?

Mr. President, the question which the distinguished chairman of the committee propounded at the end of that particular examination is unanswerable. It is not a question of voting against doing anything for the people about whom we have been speaking. But there is nothing solid into which we can sink our teeth and decide what we are attempting to do. With \$300 million the administration will have ample opportunity to get the program rolling in the next 3 months.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. ALLOTT. Mr. President, may I have 2 additional minutes?

Mr. SALTONSTALL. I yield 2 minutes to the Senator from Colorado.

Mr. ALLOTT. I assume that Congress will adjourn by the first part of

October. At any rate, we shall be here shortly after the first of January. So we could then get back to the question.

On page 5, 11 agencies of the Government that would administer the program are shown. Those agencies would make the final decisions on the projects. According to the testimony, the projects will be spread around among 11 or more agencies. The Department of Commerce presumably would coordinate them. I do not believe that the 11 or more agencies are capable of picking up a program like the one proposed and handling it in the way it should be handled and the way we are expected to handle taxpayers' money in a period of 3 months. So by the testimony of their own witnesses \$300 million would do it.

The distinguished Senator from Florida has already spoken about the ARA, the community facilities, the forest roads, and various agencies. We are already expending hundreds of millions of dollars in those areas.

I say that we should give the \$300 million to those people. Make them justify it when we return in January. Then if unemployment still continues in those pockets, if the agencies have provided us with the necessary justification for the expenditures, Congress can provide more money for the carrying on and the continuation of the process, as it always has done.

The report provides specifically that that is what is contemplated. The agencies will be back here with a request for a supplemental appropriation in January. Let us leave it that way, and let us not clutter up the bill, on which the chairman has done such a wonderful job, with the kind of appropriation which has never been in it before, and which should be considered in a supplemental appropriation, or it should be considered in the separate appropriations of the agencies which are carrying on the work.

Mr. MILLER. Mr. President, I should like to join the distinguished Senator from Nebraska in his sponsorship of the amendment.

Mr. HRUSKA. Mr. President, I would be happy to have the distinguished Senator from Iowa as a sponsor. I ask unanimous consent that his name be added as one of the sponsors of the amendment.

The PRESIDING OFFICER (Mr. YARBOROUGH in the chair). Is there objection? The Chair hears none, and it is so ordered.

Mr. SALTONSTALL. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. ELLENDER. Mr. President, I yield 5 minutes to the Senator from Kentucky.

Mr. COOPER. Mr. President, the issue is whether or not the Senate will agree to an appropriation of \$500 million or \$300 million. It is easy to understand that there could be wide differences of viewpoint on this matter.

As a member of the Committee on Public Works, I took part in the debate on the public works acceleration bill

when it was first considered by the Senate. I offered amendments in the committee to strike the standby provision, and the unique method of financing—bypassing the Appropriations Committees—first included in the bill. On the floor of the Senate I offered an amendment to reduce the amount authorized for the immediate program from \$750 million to \$600 million. The amendment was rejected. I voted for the bill, because it is needed, and because it had been improved.

Whether we appropriate \$200 million, \$300 million, or \$500 million, I do not believe that the total appropriated could be obligated before we meet again in January. But, our purpose should be to make the program as effective as it can be, and get it underway. For the chief objective of the bill is to put unemployed people to work as quickly as possible.

The facts relating to unemployment, and the requirements of the bill, lead me to the conclusion that \$300 million is insufficient to put the program into motion and to make it quickly effective. The 4 million people who are unemployed are scattered all over our country in hundreds of communities. If the sums appropriated are to be equitably distributed and reach the largest number as quickly as possible, they will have to be allocated to hundreds of communities all over the country and for hundreds of small projects. The widespread pattern of unemployment requires that a reasonable sum be appropriated to make it possible to reach hundreds of communities. I do not think \$300 million a sufficient sum.

I have said that I do not believe that \$500 or \$300 million will be obligated before we meet in January. But the obligation of funds is not the sole test of making the program effective.

If these programs are to get underway, there must be planning on the part of Government agencies. There must be negotiations between the agencies and the communities toward the selection and approval of projects. There can be no effective negotiation unless those in charge of the program are in a position to say to local communities that funds are available for the Federal share of a project. If we do not appropriate sufficient money, it will delay this program for at least 6 more months.

All of us are concerned that the money we appropriate shall not be wasted.

A great deal of this money will be spent by the Community Facilities Administration of the Housing and Home Finance Agency, under section 5 of the act. On such projects, at least 25 percent of the cost of a project must be borne by the local community, and in most cases, it would be 50 percent. The Community Facilities Administration has a fine record regarding the use of appropriated funds—and it has reported that it has a good backlog of applications which it has carefully studied.

I have been a county official, and had charge of the fiscal affairs of my county. Most of us have had experience as local or State officials. We know that local officials, and the people of their

communities are not likely to pay 25 to 50 percent of the cost of a project unless they believe the project has value. This fact is the best check against waste.

Forced roads and trails offers another field in which the unemployed can be put to work on projects which are carefully studied and needed. These are but two examples.

If this program is to get underway, we must provide enough money for effective planning, enough to deal equitably and quickly with the hundreds of eligible areas throughout the country.

I believe that \$500 million is a reasonable sum for the purpose of the act.

Mr. ELLENDER. I yield 3 minutes to the Senator from Oklahoma.

Mr. KERR. There is one thing to which I wish to call attention in connection with this bill, and that is that it would stimulate a local community to do the best it could. If a county has used all of its bonding capacity and cannot go any further, under the bill, the Federal Government can go beyond that and help it in connection with these community facilities.

The Senator from Iowa wanted to know what the situation would be after 18 months. I should like to put into the RECORD at this point a letter addressed to the President by the Senator from Louisiana [Mr. ELLENDER], the chairman of the subcommittee.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON APPROPRIATIONS,
September 4, 1962.

The Honorable JOHN F. KENNEDY,
The President,
The White House, Washington, D.C.

MY DEAR MR. PRESIDENT: During the hearings on the public works appropriations bill last May, many of the witnesses testified in support of projects favorably recommended by the Corps of Engineers and expected to be incorporated in an omnibus bill on which hearings were expected at an early date. At that time, I stated that as soon as the omnibus bill had been enacted into law, I would suggest to you the desirability of submitting a supplemental estimate to the Congress covering the more urgent items authorized in that bill.

In this connection, I had in mind particularly projects which might provide employment to chronic labor-depressed areas, not only by the labor opportunities afforded by the project itself, but by the stimulus those projects would have in developing the resources of the particular area. An example of this type of project can be found in the recommended improvement of the Kaskaskia River Basin in Illinois. That project, having a total estimated cost of \$61,145,000 and a benefit-to-cost ratio of 2.7 to 1, is located in southern Illinois, in an area of chronic unemployment. This project is justified on the basis that it would open up the rich Illinois coalfields, through which the Kaskaskia River runs, to economical commercial exploitation. Coal reserves in this vicinity are estimated to be in the neighborhood of 2 billion tons. Subsequent to the release of the recommendations of the Corps of Engineers for the development of the Kaskaskia River, plans for construction of five industrial plants along the proposed Kaskaskia River project in Illinois were announced. Construction of these plants at an estimated cost of \$200 million is contingent upon the development of navigation on the Kaskaskia. It is evident that long after the

temporary measures which may be taken now to stimulate employment have fulfilled their purpose, these industrial plants will be providing jobs and income and adding to the economic well-being of southern Illinois.

This is but a single example. I am sure that a careful examination of the projects eligible for inclusion in an omnibus bill will show that there are many worthy projects which will stimulate the economy of an area or are located in areas designated as having chronic unemployment.

In view of the delay in initiating an omnibus bill and the possibility of an adjournment of Congress by the end of this month, the thought occurred to me that you may desire to have the Bureau of the Budget consider this matter now, with a view to submitting a supplemental estimate to the Congress as soon as an omnibus bill has been reported by a committee for those projects which you consider to be of an urgent nature.

Sincerely yours,

ALLEN J. ELLENDER,
Chairman, Subcommittee on Public Works.

New construction starts added by Senate

Project	Total Federal cost	Appropriated to date	1963 budget	Recommended for 1963	Balance to complete	Benefit-cost ratio
Mobile Harbor, Ala.	\$6,600,000	\$3,548,000		\$600,000	\$2,452,000	2.6
*Tennessee-Tombigbee, Ala. and Miss.	262,244,000	1,494,000	\$225,000	500,000	260,025,000	1.1
*Arkansas River, navigation locks and dam	449,000,000	1,647,000	2,000,000	2,600,000	444,753,000	1.3
*Alamo Reservoir, Ariz.	11,300,000	625,000		500,000	10,175,000	1.7
*Gilham Reservoir, Ark.	13,400,000	291,000	99,000	350,000	12,660,000	1.7
*Ouachita and Black Rivers, Ark. and Iowa	45,500,000	490,000	235,000	165,000	44,610,000	1.6
Los Angeles and Long Beach Harbors, Calif.	1,790,000	85,000		1,705,000		3.1
Sacramento River bank protection	15,100,000	150,000	50,000	150,000	14,750,000	1.6
*Bakers Haulover Inlet, Fla.	263,000	10,000	15,000	25,000	204,000	3.1
*Bruce Eddy Reservoir, Idaho	186,000,000	2,571,000		2,000,000	181,429,000	1.6
Huntington Reservoir, Ind.	16,200,000	251,000		1,000,000	14,949,000	1.5
Perry Reservoir, Kans.	38,000,000	675,000		750,000	36,575,000	2.4
Portland Harbor, Maine	8,375,000	35,000		550,000	7,790,000	6.0
Paseagoula Harbor, Miss.	4,885,000	15,000		1,500,000	3,370,000	13.4
*Raritan Bay-Sandy Hook Bay, N.J.	3,307,000	42,000		500,000	2,765,000	2.0
Fire Island Inlet to Montauk Point, N.Y.	19,700,000	155,000	250,000	750,000	18,545,000	2.6
*Racine locks and dam, Ohio and West Virginia	76,800,000	130,000	395,000	350,000	75,925,000	2.0
Blue River Reservoir, Oreg.	21,800,000	775,000		500,000	20,525,000	1.6
*Yaquina Bay and Harbor, Oreg.	23,600,000	645,000	100,000	200,000	22,655,000	1.2
Arkansas-Red Rivers salinity control, Oklahoma and Texas	305,000	5,000		300,000		(1)
Brazos Island Harbor, Tex.	4,540,000	14,000		500,000	4,026,000	1.5
Total	1,208,709,000	13,662,000	3,369,000	15,495,000	1,178,183,000	
Total of 10 indicated by an asterisk (*)	1,071,414,000			7,190,000	1,055,201,000	

¹ Not eligible.

Mr. KERR. If Senators will look at the list, they will see that this bill makes long-range provision for great public works projects, fully justified under our regular program, which will be of great benefit economically and stimulating to the local economy, and which will mean an increase in construction after the expiration of the provisions of this act and the completion of the projects made possible by it.

Mr. HRUSKA. Mr. President, I yield myself 5 minutes.

The amendment which I offered is not intended as an obstructionist measure. It is not intended, and I hope it will not be construed as intending, to deny the achievement of the national policy which is embraced in the public works acceleration authorization bill or in this appropriation. That is not the spirit in which it is proposed. The purpose of the amendment is to insure that the objectives of the authorization bill are carried out in the most efficient manner. It is for that purpose that the amendment is offered.

Mr. KERR. The chairman sets forth the benefits of these public works project in the regular bill. I call attention to the fact that the Senate added projects totaling in estimated cost \$1,203 million, to provide funds for starting these projects. Of the 21 projects costing \$1,203 million added by the Senate, 10 at an estimated cost of \$1,071 million are for projects in areas of relatively substantial unemployment and areas designated as redevelopment areas under sections 5 (a) and (b) of the Area Redevelopment Act of May 1, 1961. The projects in these categories are designated by an asterisk.

Mr. President, I ask unanimous consent that the list of new construction starts recommended by the committee be inserted at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The history of the legislation upon which the appropriation is based is a rather curious one. The public law authorizing the public works acceleration program is much different than the original proposal that was sent to us by way of a Presidential message, and the original bill that was considered in committee.

The Senator from Kentucky played an important role in the removal of some very objectionable features contained in the original bill. For example, the bill originally contained a provision for back-door financing in excess of \$2 billion which would not be subject to consideration by the Appropriations Committees.

A unique and very unsound financing method was proposed. It will be recalled that the proposal was made to finance this public works vehicle by the unused balances of a number of agencies, including some international organizations. That was obviously an undesirable and unworkable method. It was discarded. The legislation that was

finally passed is a little more sound and workable. At least it reduced the amount of money involved.

In matters of this kind, particularly when large amounts of moneys are involved, it is always desirable that Congress retain some control. This is true notwithstanding the fact that the purpose of the legislation was to relieve unemployment and economic stagnation in various areas throughout the Nation. It cannot be said that we in the Congress are any less desirous of achieving relief in these areas than are the people in the executive department or the residents of the affected areas themselves.

There are several reasons why I believe \$300 million is adequate. First, it will be several months before the projects can be selected and started on an extension basis. There has already been reference to the testimony before the committee. There were only two witnesses from the Department of Commerce, and there were no witnesses from the other agencies which will be involved in the implementation of the projects. Considering the number of projects that can be intelligently selected between now and January 1, \$300 million is ample. I believe the testimony will verify that fact. We will be back in January, and we can take another look at the program at that time.

These projects must be carefully scrutinized to make sure that they carry out the declared policy and objectives of the acceleration program.

The fact that this is an emergency measure does not mean that the projects should go forward without direction, supervision, or control, by either the executive department or the legislative branch.

If the amount is limited to a reasonable figure—and \$300 million is reasonable—it will mean that there will be more careful selection. Greater care will be taken to decide which of the projects should be selected for construction, and whether funds should be allocated for that purpose.

We should always keep in mind that Congress has the authority over the expenditure of funds to relieve areas from the ravages of unemployment and economic stagnation. And, we should also remember that we have a responsibility to the people who are paying the bill and are making it possible for Congress to appropriate the \$300 million or the \$500 million, as the case may be.

At best, these so-called crash programs have a sorry record. This is so even though we accord to those who administer them the utmost of good faith. It is to insure equality in the administration of the act that the reduction of \$300 million is proposed. It is in that spirit that I have offered the amendment.

I was opposed to the public works acceleration bill in its original form. I voted against this legislation as it now stands on the statute books as public law. But it is now our national policy, so we must go forward with it. But we should go forward in the most effective and intelligent way possible. To that end and in order that we may be assured that the funds approved will be administered wisely, the appropriation should be lim-

ited to \$300 million. I urge that the amendment be adopted.

Mr. President, I yield the floor and also yield back the remainder of the time originally allotted to me.

Mr. ELLENDER. Mr. President, I am also willing to yield back the rest of the time under my control, and I do so, in order that the Senate may proceed to vote.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment of the Senator from Nebraska [Mr. HRUSKA] on page 29, lines 20 and 21. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERTSON (when his name was called). On this vote, I have a pair with the senior Senator from Washington [Mr. MAGNUSON]. If the Senator from Washington [Mr. MAGNUSON] were present and voting, he would vote "nay"; if I were at liberty to vote, I would vote "yea." I withhold my vote.

The rollcall was resumed and concluded.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from Idaho [Mr. CHURCH], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Ohio [Mr. LAUSCHE], the Senator from Wyoming [Mr. MCGEE], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PELL], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Ohio [Mr. YOUNG], are absent on official business.

I also announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Illinois [Mr. DOUGLAS], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Wyoming [Mr. HICKEY], the Senator from Missouri [Mr. LONG], and the Senator from Washington [Mr. MAGNUSON] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Idaho [Mr. CHURCH], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Tennessee [Mr. GORE], the Senator from Alaska [Mr. GRUENING], the Senator from Michigan [Mr. HART], the Senator from Wyoming [Mr. HICKEY], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Rhode Island [Mr. PELL], the Senator from Massachusetts [Mr. SMITH], and the Senator from Ohio [Mr. YOUNG] would each vote "nay."

On this vote, the Senator from Ohio [Mr. LAUSCHE] is paired with the Senator from Missouri [Mr. LONG]. If present and voting, the Senator from Ohio would vote "yea," and the Senator from Missouri would vote "nay."

On this vote, the Senator from Vir-

ginia [Mr. BYRD] is paired with the Senator from Wyoming [Mr. MCGEE]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Wyoming would vote "nay."

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from Illinois would vote "nay," and the Senator from Utah would vote "yea."

On this vote, the Senator from Indiana [Mr. HARTKE] is paired with the Senator from Kansas [Mr. CARLSON]. If present and voting, the Senator from Indiana would vote "nay," and the Senator from Kansas would vote "yea."

On this vote, the Senator from New Jersey [Mr. WILLIAMS] is paired with the Senator from Arizona [Mr. GOLDWATER]. If present and voting, the Senator from New Jersey would vote "nay," and the Senator from Arizona would vote "yea."

Mr. HRUSKA. I announce that the Senators from Maryland [Mr. BEALL and Mr. BUTLER], the Senator from Utah [Mr. BENNETT], the Senators from South Dakota [Mr. BOTTUM and Mr. MUNDT], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senators from Kansas [Mr. CARLSON and Mr. PEARSON], the Senators from New Hampshire [Mr. COTTON and Mr. MURPHY], the Senator from Illinois [Mr. DIRKSEN], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from California [Mr. KUCHEL], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Kentucky [Mr. MORTON] are necessarily absent.

On this vote the Senator from Indiana [Mr. CAPEHART] is paired with the Senator from Maryland [Mr. BEALL]. If present and voting, the Senator from Indiana would vote "yea," and the Senator from Maryland would vote "nay."

On this vote the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from New York [Mr. JAVITS]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from New York would vote "nay."

On this vote, the Senator from Kansas [Mr. PEARSON] is paired with the Senator from Pennsylvania [Mr. SCOTT]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Pennsylvania would vote "nay."

On this vote, the Senator from South Dakota [Mr. BOTTUM] is paired with the Senator from Kentucky [Mr. MORTON]. If present and voting, the Senator from South Dakota would vote "yea," and the Senator from Kentucky would vote "nay."

On this vote, the Senator from Utah [Mr. BENNETT] is paired with the Senator from Illinois [Mr. DOUGLAS]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Illinois would vote "nay."

On this vote, the Senator from Kansas [Mr. CARLSON] is paired with the Senator from Indiana [Mr. HARTKE]. If present and voting, the Senator from Kansas would vote "yea," and the Senator from Indiana would vote "nay."

On this vote, the Senator from Arizona [Mr. GOLDWATER] is paired with the Senator from New Jersey [Mr. WILLIAMS].

If present and voting, the Senator from Arizona would vote "yea," and the Senator from New Jersey would vote "nay."

The result was announced—yeas 16, nays 44, as follows:

[No. 289 Leg.]

YEAS—16

Allott	Jordan, Idaho	Tower
Boggs	Miller	Wiley
Curtis	Proxmire	Williams, Del.
Hickenlooper	Saltonstall	Young, N. Dak.
Holland	Smith, Maine	
Hruska	Thurmond	

NAYS—44

Aiken	Ervin	McNamara
Bartlett	Fong	Metcalf
Bible	Hayden	Monroney
Burdick	Hill	Morse
Byrd, W. Va.	Humphrey	Neuberger
Cannon	Jackson	Prouty
Carroll	Johnston	Randolph
Case	Jordan, N.C.	Russell
Chavez	Keating	Smathers
Clark	Kerr	Sparkman
Cooper	Long, Hawaii	Stennis
Dodd	Long, La.	Symington
Eastland	Mansfield	Talmadge
Ellender	McCarthy	Yarborough
Engle	McClellan	

NOT VOTING—40

Anderson	Goldwater	Moss
Beall	Gore	Mundt
Bennett	Gruening	Murphy
Bottum	Hart	Muskie
Bush	Hartke	Pastore
Butler	Hickey	Pearson
Byrd, Va.	Javits	Pell
Capehart	Kefauver	Robertson
Carlson	Kuchel	Scott
Church	Lausche	Smith, Mass.
Cotton	Long, Mo.	Williams, N.J.
Dirksen	Magnuson	Young, Ohio
Douglas	McGee	
Fulbright	Morton	

So the amendment was rejected.

Mr. ELLENDER. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. HUMPHREY. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS of Delaware obtained the floor.

LEGISLATIVE PROGRAM

Mr. HRUSKA. Mr. President, will the Senator from Delaware yield? I wish to ask the majority leader about the program for the remainder of today and, if possible, for Monday.

Mr. WILLIAMS of Delaware. I yield.

Mr. MANSFIELD. Mr. President, in response to the question asked by the distinguished acting minority leader, let me say that I believe it is the understanding that a point of order will be raised by the Senator from Delaware [Mr. WILLIAMS] against a section of the bill. I do not know what disposition will be made of the point of order. But after it has been disposed of one way or the other, I understand that the only remaining amendment will be one to be offered by the distinguished Senator from Wisconsin [Mr. PROXMIRE]. I hope I am correct in that understanding, and evidently I am.

Therefore, I ask unanimous consent that after the disposition of the question to be raised by the Senator from Delaware [Mr. WILLIAMS], the Senator from Wisconsin [Mr. PROXMIRE] be allowed to proceed for the rest of the afternoon. I understand he has a speech which will take 4, 5, 6, 7, 8, or 9 hours, and that he

feels very deeply on this subject and wishes to explain his amendment thoroughly and in detail.

It is the hope of the leadership—and this is concurred in by the minority leader—that before the Senator from Wisconsin [Mr. PROXMIRE] really gets underway, we may reach a unanimous-consent agreement which will allow the other Members to go home or attend to committee meetings or other business for the remainder of the day, with the assurance that there will be no further yea-and-nay votes; that on Monday the Senate will convene at 10 a.m., with a limitation of one-half hour, with 15 minutes to be under the control of the Senator from Wisconsin [Mr. PROXMIRE] and 15 minutes to be under the control of the Senator from Louisiana [Mr. ELLENDER]; and that a yea-and-nay vote will be taken at 10:30 on Monday morning.

Furthermore, the leadership would like to have the Senate agree to a proviso that if there is no further amendment except that of the Senator from Wisconsin, the third reading of the bill be considered as having been had, exclusive of the amendment of the Senator from Wisconsin.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

The unanimous-consent agreement was subsequently reduced to writing, as follows:

UNANIMOUS-CONSENT AGREEMENT

Ordered, That on Monday, October 1, 1962, upon the convening of the Senate at 10 a.m., it resume the consideration of the bill H.R. 12900, the so-called civil functions appropriation bill, that debate upon the pending amendment proposed by Mr. PROXMIRE be limited to 30 minutes, to be equally divided and controlled, respectively, by Mr. PROXMIRE and Mr. ELLENDER; and that at the conclusion of debate thereon the Senate shall proceed to vote, by yeas and nays, on the question of agreeing to the said amendment.

Mr. HRUSKA. Mr. President, reserving the right to object—although I shall not object if we can arrive at an understanding on this point—let me say that the Senators from Kansas [Mr. CARLSON and Mr. PEARSON] are not present today. The Proxmire amendment which will be proposed deals with a matter within the boundaries of their State. Therefore, I would be very reluctant to agree to a time limitation of 15 minutes, insofar as they are concerned.

Either we should get a more liberal amount of time for them, if they wish it, or we should be given an opportunity to consult them to ascertain their wishes.

Mr. MANSFIELD. If the Senator will allow the unanimous-consent request to go through, after the question raised by the Senator from Delaware is disposed of, with the proviso that there be a third reading, exclusive of the consideration and vote on the Proxmire amendment, on the half hour limitation basis, I assure the Senator that if the Senators from Kansas desired more time, we could collectively ask for it, and I am sure they would get it.

Mr. HRUSKA. That would be agreeable.

The PRESIDING OFFICER. Is there

objection? Without objection, the unanimous-consent request is agreed to.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. WILLIAMS of Delaware. Mr. President, rule XVI of the Senate provides that there shall be no legislation on appropriation bills.

I will read title 4:

For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed \$75 per diem, \$500,000,000, to remain available until expended.

It appears to me that the phrase "to remain available until expended" goes beyond the original intent of the act, which was to make these funds available on annual appropriations.

Therefore, I raise the question that the language is legislation and therefore subject to a point of order. I make a point of order against the entire title 4 of the bill, which appears on page 29.

The PRESIDING OFFICER (Mr. BURDICK in the chair). The Chair sustains the point of order.

Mr. ELLENDER. Mr. President—

Mr. HRUSKA. Mr. President, what is the ruling of the Chair?

Mr. ELLENDER. Mr. President, did the Chair sustain the point of order?

The PRESIDING OFFICER. Yes.

Mr. ELLENDER. In anticipation of that, I send to the desk an amendment reinstating this paragraph minus the words to which the Senator from Delaware has objected, that is, "to remain available until expended."

The PRESIDING OFFICER. The amendment offered by the Senator from Louisiana will be stated.

The LEGISLATIVE CLERK. On page 29, after line 12, it is proposed to insert:

TITLE IV

Funds appropriated to the President

Public Works Acceleration

For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed \$75 per diem, \$500,000,000.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana.

Mr. ALLOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. ALLOTT. As I understand the ruling of the Chair on the point of order of the Senator from Delaware, the

ruling made all of title 4 inoperative and in effect revoked the entire title, because the title of title 4 has been revoked, and therefore the Chair has revoked and declared as legislation all of title 4.

First, Mr. President, is that a correct statement or not? I so understood the ruling of the Chair.

The PRESIDING OFFICER. The Senator is correct. The Chair sustained the point of order against all of title 4.

Mr. ALLOTT. If I may have the attention of the distinguished chairman of the committee, may I inquire further, if the amendment offered by the chairman of the subcommittee is adopted as offered, would it reinstate merely the title, as I understand from a reading of it, or would it reinstate all of title 4 including the provisions therein?

Mr. ELLENDER. It would reinstate the entire title 4 minus the words "to remain available until expended."

Mr. ALLOTT. I did not so gather from the reading of it. I wanted to be sure of it.

The PRESIDING OFFICER. The Senator from Louisiana has correctly stated the situation.

Mr. ALLOTT. I thank the Chair.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Louisiana on page 29, beginning on line 13.

The amendment was agreed to.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. HRUSKA. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

UNANIMOUS-CONSENT AGREEMENTS

Mr. MANSFIELD. Mr. President, I realize that unanimous consent has been granted, but, in order to clarify the picture, I ask unanimous consent that there be the third reading of H.R. 12900 with the understanding that the amendment by the Senator from Wisconsin [Mr. PROXMIER] be exempted from the third reading.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, beginning on Monday at 10 a.m., there be a time limitation of 30 minutes on the Proxmire amendment, which shall be divided between the Senator from Wisconsin [Mr. PROXMIER] and the Senator from Louisiana [Mr. ELLENDER].

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. It is further understood that if additional time is needed on behalf of the Senators from Kansas, that time will be granted at the conclusion of the half hour.

Mr. HRUSKA. Mr. President, that understanding is very happily accepted on behalf of the Senators from Kansas.

ORDER FOR ADJOURNMENT TO 10 A.M. MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the

Senate adjourns today, it adjourn to meet at 10 o'clock a.m. on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO CONSIDER FOREIGN AID APPROPRIATIONS BILL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that at the conclusion of the consideration of the civil functions bill, the pending business, on Monday the Senate proceed to the consideration of the foreign aid appropriations bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. For the further information of the Senate, insofar as the leadership knows, there will be no further rollcall votes today; so Senators can be guided accordingly.

Mr. CLARK. Mr. President—

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield. Having the floor, Mr. President, I am very happy to yield to the Senator from Louisiana.

Mr. ELLENDER. Mr. President, I desire to ask the majority leader if I correctly understood him to say the foreign aid bill would be taken up Monday.

Mr. MANSFIELD. Yes, that was announced several days ago.

Mr. ELLENDER. I had understood it would be Tuesday.

Mr. MANSFIELD. No; it will probably continue into Tuesday.

Mr. ELLENDER. Does the Senator anticipate any votes Monday?

Mr. MANSFIELD. The Senator from Louisiana could speak with greater accuracy on that than I could. There may be some, late, late in the evening.

Mr. ELLENDER. I have quite a few amendments to offer to the bill.

Mr. MANSFIELD. Will the Senator be present Monday?

Mr. ELLENDER. Yes.

Mr. MANSFIELD. I anticipate votes Monday.

Mr. SMATHERS. Mr. President, will the Senator yield?

Mr. CLARK. I yield to the Senator from Florida.

Mr. SMATHERS. I did not hear what the majority leader had to say with respect to when the foreign aid appropriations bill would be taken up.

Mr. MANSFIELD. Monday, at the conclusion of consideration of the civil functions bill, which is now under consideration, but which will not be disposed of until Monday.

Mr. SMATHERS. It will be taken up Monday and completed then. Does the Senator expect consideration of the foreign aid appropriation bill to be completed Monday, too?

Mr. MANSFIELD. I hope so, but I do not expect it.

Mr. CLARK. Mr. President—

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. CLARK. I shall be glad to yield. I thought the Senators were having a private conversation.

Mr. SMATHERS. Mr. President, I do not wish to object. I should like to ask

the majority leader if he would mind withholding his statement with respect to the taking up of the foreign aid bill. I should like to discuss with him certain complicated matters prior to his asking that that bill be taken up on Monday. As I understood the Senator, he said he hoped the Senate could dispose of the bill on Monday.

Mr. MANSFIELD. I said I would hope so, but that I would not bet on it. My guess is that the Senate will be doing very well to dispose of it on Tuesday.

Once again I ask my distinguished friend from Florida not to press this point, because consent has already been granted. I shall be glad to talk it over with the Senator, to see what can be done under the unanimous-consent request.

Mr. SMATHERS. Of course, the majority leader does not give anything to the Senator from Florida. He was down there, very quietly saying something.

Mr. MANSFIELD. Oh, no—not quietly.

Mr. SMATHERS. Again I say, I do not wish to enter into a discussion similar to that which we had yesterday, but I do wish to try to protect those of us who are trying to have H.R. 10 enacted into law. I had anticipated that some steps might be taken in connection with the foreign aid appropriation bill.

Mr. MANSFIELD. It is my understanding that the Senator has at the desk some sort of proposal seeking to suspend the rules or to do something else. If the Senator felt it in his own best interest to try to attach H.R. 10 to an appropriation bill, he would feel free to try to do so. If that is the case—and I am not certain it is—I point out to the Senator that there are other appropriation bills to follow, such as the appropriation bill for the Departments of State and Justice, and the Judiciary, and also the last supplemental appropriation bill, which will be called up, I think, on Thursday, all things being equal. So there are two other appropriation bills.

Mr. SMATHERS. As I understand the situation, the Senator has already asked and obtained unanimous consent, and he does not wish to retreat from that position.

Mr. MANSFIELD. I would prefer not to do so. If the Senator insists, of course, I shall reconsider, but I would hope he would not insist.

Mr. MORSE. Mr. President, a parliamentary inquiry. Does the Senator not have to obtain unanimous consent to reconsider?

Mr. MANSFIELD. Yes.

Mr. MORSE. I would object.

Mr. MANSFIELD. I think the Senator would be tolerant if the question were raised.

Mr. MORSE. Not a bit.

Mr. MANSFIELD. I thank the Senator from Florida, and the Senator from Pennsylvania.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of De-

fense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corp., the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

The PRESIDING OFFICER. The bill will be read the third time, as provided under the unanimous-consent agreement.

The bill (H.R. 12900) was read the third time.

Mr. CLARK. Mr. President, I wish to say a few words about the public works bill and the vote which has just been taken. I returned from the hustings in time to vote but not in time to speak on the amendment which, happily, was just defeated, and I am glad to say by a large majority.

The emergency public works bill which was passed by both Houses and signed by the President a short time ago is being called in Pennsylvania, I am happy to say, the Clark-Blatnik bill. It is true that I played a reasonably active part in the initiation of the legislation, in committee hearings on early versions, and in the consideration of the measure by the Senate when it came from the Public Works Committee.

I wish to thank my friend the Senator from New Mexico [Mr. CHAVEZ] for the great help which he, as chairman of the committee, gave us in bringing this measure, so vitally needed for my State, to the Senate with a favorable recommendation.

An effort was made—which happily failed—earlier today, led by our friends on the other side of the aisle and opposed in overwhelming majority by Senators on this side of the aisle, to cut back the recommended appropriation from \$500 to \$300 million. I am delighted that the amendment failed and failed by so large a majority.

I personally was very much disappointed that the Committee on Public Works did not see fit to go along with the President of the United States, who recommended that the full amount of the authorization, \$900 million, should be appropriated. Goodness knows, the \$900 million is not only badly needed but also could be spent.

I regret that the committee did not recommend the full figure, but I understand the reason why the committee did not do so, which, generally speaking, was that the presentation by the administration did not give sufficient detail as to exactly what projects were underway.

Mr. CHAVEZ rose.

Mr. CLARK. I yield to my good friend from New Mexico.

Mr. CHAVEZ. The Commerce Department did not have a program. The Department representative did not know what it was all about.

Mr. CLARK. Mr. President, the Senator has said—and I do not question my good and dear friend—that the Commerce Department, which had to act very quickly because the authorization bill was passed only a few weeks ago, did not have a program in sufficient detail, in the opinion of the committee, to justify a larger appropriation.

This measure came really from my State and from the State of the Senators from West Virginia, our States being the two most badly hit in terms of chronic and persistent unemployment.

Under the act signed by the President a few weeks ago, the share which any State can get from the \$900 million authorization is limited to 10 percent. This means that the maximum grant to Pennsylvania would be \$90 million.

There is not a shadow of doubt that Pennsylvania community projects and Federal projects now available for the assistance to be given under the terms of the bill in Pennsylvania vastly exceed \$900 million. So I am disappointed that we were not able to get the full appropriation, so that my Commonwealth could use its full share.

As an example, the city of Philadelphia has ready to go, with all plans drawn and an application ready to be filed, a series of projects which would total \$13 million. The Bureau of Prisons, under the Attorney General's Department, I am happy to say, as soon as the money can be obtained, has agreed to start construction of a new Federal prison in Fayette County, Pa., at a total cost of \$12 million.

Thus these two projects alone—one in eastern Pennsylvania and one in the southwestern part of our State—are ready to go tomorrow. Those projects total \$25 million.

In other parts of the State, including in particular Pittsburgh, the hard coal region, and the rest of the soft coal region, there are projects which have been approved by local government as Federal projects, but which await only the arranging of the necessary financing, which could not be arranged until the appropriation for the bill has been signed by the President.

Therefore I say to Senators, first, that I regret very much that the total appropriation was not forthcoming. I would have moved by amendment to increase the appropriation had I not been assured by my friends on the Appropriations Committee that they will look with favor early next year on an application for an increase of the appropriation to the full amount authorized if it appears at that time that there is a backlog of eligible projects which cannot be authorized and put under construction due to the fact that the appropriation is not sufficient.

I have also been advised by the assistants of the Secretary of Commerce that the administrators of the program will push forward at full speed with pending appropriations without regard to any rationing by reason of the fact that the appropriation is only five-ninths of the authorization. With those two assurances, which make it clear that Pennsylvania and other States must be alert to take advantage of the bill, as I am sure they will be, the funds appropriated will be promptly made available and an additional appropriation up to the full amount of the authorization can be asked for in a supplemental appropriation next year. For this reason I did not offer an amendment on the floor of the Senate to increase the amount of the appropriation.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. CLARK. I am happy to yield to my friend from Minnesota.

Mr. HUMPHREY. First, I wish to say to the Senator from Pennsylvania that his diligence and perseverance on the question of the accelerated public works program has been in a very large measure responsible for the action that has been taken in Congress on the measure. My good friend and fellow Minnesotan in the House of Representatives, Representative BLATNIK, has told me repeatedly of the many conferences he has had with the Senator and how he and the Senator, in visits at the White House and with officials in the executive branch in the early part of this year, urged this particular program. The Senator may recall that at one time I was in attendance at one of those meetings when we visited with the President, the Secretary of Labor, a representative of the Bureau of the Budget, and others.

So the record should be crystal clear that the Senator from Pennsylvania has been one of the leading forces and one of the leading Members of the Congress, first, in urging the public works program and, second, securing favorable action on the part of the Senate, and now on the appropriations bill for the fulfillment of the authorization.

I serve on the Appropriations Committee. I believe that the Appropriations Committee did what was right in terms of the \$500 million appropriation. If we need additional funds, which I think we shall, it is understood that a supplemental appropriation will be forthcoming. But I am sure that the Senator from Pennsylvania would agree with me that we wish to make sure that projects are available which are authorized, engineered, and ready to be undertaken. Therefore, for the immediate period of time, \$500 million has been made available, which will accommodate many projects in the State of Pennsylvania and other States in the Union, and when additional funds under the \$900 million authorization are needed, the Bureau of the Budget, acting for the President, will send to Congress a supplemental request. We will then review that supplemental request; and I am confident that the additional funds, when justified, will be made available.

So the Senator from Pennsylvania can feel that his labors in this area of legislative endeavor have been successful, and that his initiative on this question has been acclaimed and fulfilled. I compliment him and assure him that it has been a pleasure on my part to have worked a little in this area to see that this public works program came about.

Mr. CLARK. I thank my friend for his very kind words. My heart has been warmed by his assurance. As a most active and respected member of the Appropriations Committee, his assurance that what I have said is true will be most valuable. His words are particularly valuable because in Pennsylvania there are those who do not choose to acknowledge that the senior Senator from Pennsylvania played much, if any, part in the proposed legislation. But I know that my friend from Minnesota played

a most active part, too, because his State is very much in the picture in connection with the bill and needs many of the proposed projects, particularly in the depressed areas in the northern part of Minnesota, as much as we in Pennsylvania need them.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. CLARK. I yield.

Mr. HUMPHREY. Of course, I should like to be able to say that the bill is the Humphrey bill. But I think a Senator ought to be honest with himself and his colleagues. It is a fact that I introduced a measure along those lines. It is a fact that I have interested myself actively in the proposed legislation. But the truth is that from our part of the country Representative BLATNIK of Minnesota in the House of Representatives has been the real force for the measure. He has been the leader. I do not believe we can have two or three leaders at once. So Representative BLATNIK has taken the leadership in the upper Midwest.

But the Senator from Pennsylvania [Mr. CLARK] has taken the lead in the Senate. I cannot imagine that anyone would deny that. One need only read and have a reasonable degree of intellectual integrity, and it is quite obvious that the Senator from Pennsylvania deserves whatever credit is due any one individual Senator.

I compliment the Senator. If anyone in his State does not feel that way, I suggest that the Senator tell him to write me a letter. I shall send him a copy of the bill, the report, and the hearings. I wonder if the Senator from Virginia [Mr. ROBERTSON] feels the same way.

Mr. CLARK. Mr. President, I thank my friend from Minnesota. If the Senator will indulge me for only 2 more minutes, I shall then yield the floor.

I should like to place in the RECORD a very brief summary of the history of the bill. Initially a bill in a form somewhat different from that in which the measure passed, but in substance achieving the same result, was introduced by me in the early summer of 1961. At that time the bill was referred to the Committee on Labor and Public Welfare, and referred by that committee to the Subcommittee on Employment and Manpower, of which I have the honor to be chairman. In that subcommittee quite extensive hearings were held. At that time the administration was opposed to the bill because at that time they were off on their crusade to balance the budget, and they were not willing to ease in any way the problems of the unemployed by initiating a public works program.

Therefore, we did not attempt to report the bill to the Senate in 1961. However, I conferred with the President and with the Director of the Bureau of the Budget, Mr. Bell, with respect to this legislation, and I was assured in the early fall of 1961 that unless the economy took a drastic upward movement in terms of decreasing unemployment, the President would recommend to Congress, in his legislative messages of early 1962,

a bill similar in substance to the one which I had introduced.

Unemployment did not decrease to a satisfactory extent, as everyone now knows. The President recommended such a public works emergency program to Congress. The bill which he recommended called for a total authorization of \$1,500 million, \$750 million of which was to come immediately, and the other \$750 million to be triggered in at the discretion of the President if in his opinion the percentage of labor force which continued unemployed was still too high.

That bill was under discussion among the leadership. There was a question as to whether it should be again referred, as my previous bill had been referred, to the Subcommittee on Unemployment and Manpower of the Committee on Labor and Public Welfare. In those discussions I was persuaded that if we were to get a bill passed it had a better chance of success if it were referred to the Committee on Public Works, which was very much influenced by the views of the able Senator from Oklahoma [Mr. KERR], who pledged his strong support of the bill, and if he undertook to shepherd it through the committee and on the floor to passage.

I was only too happy to yield to the superior wisdom and influence of the Senator from Oklahoma. I therefore withdrew my request that it be referred to my subcommittee.

Thereafter it was reported from the committee with only minor amendments to change it from the version presented by the President. That bill was passed by the Senate after a very stiff floor fight. One of the critical votes in support of the bill was decided by a yeas-and-nays vote of 39 to 38. There is no doubt in my mind that had not the Senator from Oklahoma put his full force behind the measure, it would not have been passed by the Senate. However, the bill was passed.

Our friends in the House, acting in a way which I cannot fail publicly to deplore, because it has happened so often, and is so foreign to our whole system of comity between the two Houses and the friendly relations that we try to maintain in adjusting differing views, refused to consider the Senate bill, and substituted the Blatnik bill, and passed it; and then refused to go to conference.

The House did not refuse to go to conference, but it was made clear that if the Senate did not accept the Blatnik bill without crossing a "T" or dotting an "I," there would be no conference on the bill because a rule could not be obtained and the legislation would be lost.

With the pistol at our heads, we concluded, wisely, I believe, to accept the House bill. I am happy that we did, because Representative Blatnik's bill is a good bill. Actually it calls for \$150,000 more in authorization for emergency public programs in the first year than the Senate bill did. I regret that it does not give the President standby authority to put an additional amount under contract if at the time the first appropriation has been expended, the percentage of unemployment in the country has not shrunk to an appropriate level.

Nevertheless, the authorization was higher for immediate purposes. The provisions of the bill were in many other respects practically identical with my bill. I was happy to join my colleagues in the Senate in their recommendation that the House bill be accepted.

That, then, is the history of this legislation. I am proud of the part I played in the formulation and passage of this legislation. I am delighted that I have had the assurance of the Senator from Minnesota, and informally from other members of the Appropriations Committee, that when it can be shown that the full amount of the authorization can be promptly expended we will get an additional appropriation.

I point out that in only 3 months from now Congress will return. It seems clear to me that it will be difficult to spend \$500 million in the next 3 months.

PROHIBITIONS ON PROPAGANDA

Mr. CLARK. Mr. President, the Senator will recall the rather stiff fight that was made over the modified Cunningham amendment earlier this week, on which to my great pleasure, with the strong support of the Senator from Minnesota [Mr. HUMPHREY], we were able to persuade 33 Senators to stand up and be counted on a yeas-and-nays note on an important civil liberties matter, despite the fact that the opposition forces were able to command a majority in taking what is essentially the first step toward a police state.

I am happy to note that we have gained an ally from a source which I would not expect with respect to legislation of the type the Senator from Minnesota and I sponsor and support.

That support comes from, of all places, the Wall Street Journal. I, therefore, take great pleasure in commending the Wall Street Journal for its strong support of the civil liberties program. I ask unanimous consent that the editorial in that publication, entitled "Prohibitions on Propaganda," published in the Wall Street Journal of September 28, 1962, be printed at this point in my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PROHIBITIONS ON PROPAGANDA

Congress now has before it two proposals aimed at keeping out of the U.S. mails Communist propaganda from abroad.

One is Representative GLENN CUNNINGHAM's amendment to the House postal rate bill that would bar all such material. The other is the Senate Post Office Committee's alternative proposal that would generally limit propaganda mail delivery to persons who request it and to certain institutions, including libraries.

Now if there have to be restrictions on this sort of mailed matter, the Senate plan certainly represents the less objectionable way of going about it. But the administration's question and ours, is: Why are any restrictions necessary at all?

The longstanding argument for censorship has been that the Communist countries seize every avenue and opportunity to distribute propaganda in the United States in attempts to persuade the recipients that communism offers, or will surely bring about, the best of all possible worlds. And, the

argument runs, Americans should be protected against all this.

That argument says, in effect, that we are an incredibly gullible nation, swaying to and fro with every propaganda breeze from behind the Iron Curtain.

It's true there was a time when some people, including some in Government, suffered from delusions about the nature of Soviet society. But a lot has happened since Stalin was our ally in World War II, and today those who still harbor misapprehensions about communism are fortunately few.

Even without all the evidence of communism's evils, for most Americans much Red propaganda would be self-defeating in its crudity and ineptness. For some specialists, however, it is necessary to the job of trying to understand something of what the Communists are thinking and doing, or what they may be up to next.

But the essential point, it seems to us, is that such prohibitions go against the grain of our history and institutions. They bear an uncomfortably close resemblance to the institutions America is fighting in the world today.

THE SCHOOL INTEGRATION CRISIS IN MISSISSIPPI

Mr. HUMPHREY. Mr. President, the President of the United States is exercising the power of the Executive in a deliberate, restrained, patient and precise manner designed to reach a peaceful and honorable solution of the constitutional crisis posed by the Governor of Mississippi and his refusal to honor the duly constituted authority of the U.S. courts.

However, if all peaceful methods are exhausted, I am confident that the President will, at the proper time, take the necessary steps to enforce the authority of the courts and to achieve the admission of James Meredith to the University of Mississippi. The President seeks to use the minimum force necessary to achieve these objectives. He has been patient and has sought to bring respect and acceptance of the law without undue Federal activity.

Every citizen of the United States, regardless of race, creed, color, or national origin, is entitled to the equal protection of the laws as guaranteed by the 5th and 14th amendments to the U.S. Constitution. This guarantee includes the right to equal educational opportunities in publicly supported educational institutions.

What has happened in Mississippi is tragic and regrettable. It brings sorrow and heartache to millions of fellow Americans in that State and elsewhere. It challenges our constitutional system.

What is happening in Mississippi severely injures the United States both at home and abroad. It distresses and discourages our friends among the new nations in Africa and Asia. It weakens our alliances around the world. It brings joy to our enemies and provides the Communists with ready-made propaganda.

The President of the United States has sworn to uphold the Constitution. He can do no less, nor will he do less. I am confident that the Constitution will be upheld.

INTEREST RATES ON FOREIGN OFFICIAL TIME DEPOSITS

Mr. ROBERTSON. Mr. President, I wish to make a statement about a bill that is strongly urged by the administration. The bill, which really affects only three cities to any appreciable extent—New York, Chicago, and San Francisco—provides that banks may pay whatever interest they please on time deposits by foreign governments, foreign central banks, and international financial institutions of which the United States is a member, such as the International Bank and the International Monetary Fund.

Congress was asked in March 1961 to enact this legislation. But after a rather unhappy experience in 1957 with a bill on which I had spent months and months of labor, known as the Financial Institutions Act of 1957, I have more or less adopted the policy on administration banking matters to let the House act first. Nevertheless, I introduced the bill. A similar bill was introduced in the House.

At that time the Treasury Department, strongly in favor of the bill, preferred to concentrate on a bill which granted to foreign central banks tax exemption on interest earned on their holdings of U.S. Government securities—Public Law 87-29. The result was that the House did not pass the bill to which I am referring until September 11 of this year. Immediately, I presented it to the Committee on Banking and Currency, and after hearings, at which Under Secretary Roosa and others testified in favor of the bill, the committee reported it with two members of the committee indicating opposition to it. Both of them filed statements indicating that the bill might lead to complications. Those statements are now in the report which accompanied the bill when it was first reported.

One of those Senators, the distinguished Senator from Illinois [Mr. Douglas], then objected to the consideration of the bill in the Senate because a quorum of the committee was not present when the committee voted to report it. It was so near the end of the session that the members of the committee who were present thought we would be justified to adopt the unusual procedure of reporting the bill without a quorum, on the assumption that no serious opposition would be raised to the bill when it reached the floor. But the Senator from Illinois insisted that the bill be sent back to committee. So yesterday the bill was returned to committee. Nine or ten members of the committee were present, and they voted to report the bill. The same two Senators were opposed to it.

Then a check was made on the Republican side, and we were informed that no Republican Member of the Senate was opposed to the bill. We made a check on the Democratic side and could find only one Member of the Senate who was really opposed to it, namely, the Senator from Wisconsin. The Senator from Illinois, whose city would be favored by the bill, left and sent word to

me that he would have no objection if I call up the bill in his absence.

So now we have before us a bill which the Secretary of the Treasury told me yesterday involved a saving of \$300 million of gold for our Government. The bill has the approval of the Federal Reserve Board. It has the approval of some of the bankers of those cities where the banks will be permitted, if the bill shall be passed, to pay a little higher rate of interest on their foreign deposits.

Now, near the end of the session, we are faced with a demand from the distinguished Senator from Wisconsin [Mr. PROXMIRE] that the price of his support for the bill will be the acceptance of his amendment to limit the operation of the bill to either 1 year or 2 years. He first proposed 1 year; he then proposed 2 years. The committee rejected his proposals, because any amendment to the bill means that the bill will be killed.

I have just received a letter from the distinguished Secretary of the Treasury, Hon. Douglas Dillon, which reads:

SEPTEMBER 28, 1962.

Hon. A. WILLIS ROBERTSON,
U.S. Senate, Washington, D.C.

DEAR WILLIS: I am writing to assure you of my strong personal interest in the passage of the bill removing restrictions on time deposit rates for deposits of foreign central banks and governments, S. 1413 (H.R. 12080). The Treasury gives its wholehearted support to this bill as constituting a further step toward strengthening our balance-of-payments position.

I digress to repeat that the Secretary of the Treasury told me that such a strengthening would mean a saving of \$300 million of gold, when we have only about \$6 billion of free gold against potential foreign demands of \$19 billion. Under those circumstances, I should think that any action on our part which would slow down or stop the drain upon our diminishing gold supply would be of very great interest to the entire Nation.

I continue to read from Mr. Dillon's letter:

I understand that the suggestion has been made to place a time limitation of 1 or 2 years on the legislation. In our judgment, it will take some time for the banks to adapt their procedures and make the necessary contacts and arrangements needed if this legislation is to produce more than nominal results. The benefits which we hope to obtain from this legislation cannot be achieved if the banks look upon this as a temporary authority. Consequently, we would oppose any time limitation, on the ground that it would tend to defeat the ends we hope to achieve through this bill.

Mr. President, I digress again to say that in addition the bill would be killed, because if the Senate accepts the proposed amendment to the bill, the bill will have to go to the House, and the House took from March of 1961 until this September to pass it. I doubt that the House will have a quorum. All of their committees have concluded their work. So it is a futile gesture to say that the bill will be improved. Either the bill will be passed as it is, or it will be killed; that is what it amounts to. I continue to read:

[Mr. KEATING] without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. KEATING. Mr. President, I express my gratitude to the distinguished Senator from Wisconsin. There are two projects in the bill on which I wish to speak very briefly.

FIRE ISLAND PROJECT

Mr. President, I am especially pleased that the Appropriations Committee has approved the sum of \$1 million for work on the Fire Island erosion control and dune protection project from Fire Island Inlet to Montauk Point. Two hundred and fifty thousand dollars will complete the preconstruction planning and \$750,000 will go for the actual construction of groins out into the sea and for the rebuilding and shoring up the dunes.

Mr. President, as is well known, the storm of last March caused tremendous damage on Fire Island. Houses were destroyed and in many areas the barrier dunes were entirely washed away. Unless the greatest haste is taken in repairing previous damage and guarding against similar storms, it may be too late. A severe storm even this fall would do irreparable damage.

So I congratulate the Senate committee, and I want to express my appreciation to them for recognizing this situation. I hope the committee will use all of its influence to persuade the members of the House committee to accept this sum.

In the House only the \$250,000 for planning was provided. It is extremely important that we get on with this project as quickly as possible.

I would like to add a word with regard to the unfortunate controversy that has risen over the possibility of a highway on Fire Island. In my judgment, it is premature to raise that question at this time. The immediate need is groins and rebuilding the dunes. There are a number of other proposals, such as the one for a national seashore park, which deserve careful study at the local, State, and Federal level before any decision is reached. Certainly, no action should be taken with regard to a highway, in my judgment, until this alternative has been fully evaluated.

SENECA INDIANS AND KINZUA DAM

Mr. President, there is one other project in the bill to which I desire to refer, designated as the Allegheny River Reservoir, N.Y. and Pa., shown on page 15 of the report.

Today, throughout New York, the citizens of my State are celebrating American Indian Day. Ceremonies are being held in New York City, as well as areas upstate, to honor these original Americans. But the Seneca Indians of western New York have no cause for celebration today, because, in violation of a treaty with the United States of America, they will shortly be displaced from their homes due to the construction of the Kinzua Dam on the Allegheny River.

It is ironical and regrettable, it seems to me, that we are considering on the floor of the Senate today a proposal—and, of course, it will be enacted—which will do such damage to the land of these Indians and will violate a U.S. treaty.

I opposed this project for the Allegheny River Reservoir for many years, first in the other body and then here. There were alternative sites available which would not cause this enormous hardship to the Senecas. Last year, however, as it became clear that it was completely impossible to block the project, at the time the Public Works Appropriation bill was passed, I was assured by the Senator from Louisiana that the Federal Government would endeavor to compensate the Indians fully—at least financially—for their loss. We were told that the President had directed the "departments and agencies of the Federal Government to take every action within their authority to assist the Seneca Nation and its members who must be relocated in adjusting to the new situation." In commenting upon this promise last year, the Senator from Louisiana stated that "when the committee takes up the public works bill next year, we shall in detail go into the reports that will be forthcoming as a result of the studies to be made in the meantime."

We are now asked to appropriate \$24,800,000 to continue the construction of this dam, and I have the impression that very little has been done for the Seneca Nation during this year of adjustment.

Assistance was promised in four areas. Yet from the committee hearings, it would appear that action has been taken. The State of New York has moved faster than the Federal Government to help the Seneca Nation.

First. A committee was formed to determine what land would be given to the Indians in lieu of the land they lost, but no recommendations or reports have come from that committee.

Second. A committee was formed to determine special damages due the Senecas, but no recommendations or reports have come from that committee.

Third. The Bureau of Indian Affairs was to decide what special assistance would be needed by the relocated tribe, and no recommendations or reports have come from them.

Fourth. The Park Service was asked to report on the recreation potential of the area, proceeds from which were to be shared by the Indians, and although the Park Service has completed and submitted a report, the report has not been evaluated or made public.

Mr. President, there is no doubt that the Senecas need help. This catastro-

phe which has befallen them is the work of the Federal Government and the Federal Government surely is responsible for helping the Senecas in every possible way to make the necessary adjustments.

I have received many letters during the past few weeks—hundred and hundreds over the years, but many letters during the past few weeks from citizens, not only in my own State but also from other parts of the Nation as well, who are disturbed and distressed by the plight of these Indians, and rightly so. They resent the encroachment of the Government on the lands of these people in violation of a Federal treaty. And though I recognize the problems this committee has faced, and the great pressures for the development of this land, I strongly urge the chairman and the members of the committee to consider earnestly the hardship incurred by the Seneca Indians and to exert every possible effort upon the administration to work actively to keep its year-old promise to these people.

I hope that the Federal Government will attempt to work with and assist the Seneca Nation and will hasten preparation of final reports and recommendations on the necessary legislation to assist the Seneca Nation. It will not do much good merely to form committees or to delegate a job to a Government department and leave the matter there.

This is a matter of deep concern to the Seneca Nation, and also, I am sure it is fair to say, to thousands of people in this country who feel that the Seneca Indians have received the short end of the stick. I hope that the committee may be able to assist in this regard.

Again, I wish to say I am very grateful to my friend from Wisconsin for allowing me to intrude on his time in this way.

ORDER OF BUSINESS

Mr. HUMPHREY. Mr. President—

Mr. PROXMIRE. Mr. President, I believe I still have the floor.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the Senator from Minnesota without using my right to the floor.

The PRESIDING OFFICER (Mr. McCARTHY in the chair). Is there objection to the request by the Senator from Wisconsin? The Chair hears none, and it is so ordered.

AMENDMENT OF THE MINERAL LEASING ACT OF FEBRUARY 25, 1920

Mr. HUMPHREY. Mr. President, I ask unanimous consent that the Senate may proceed to the consideration of Calendar No. 2129, H.R. 11049.

The PRESIDING OFFICER. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 11049) to amend the Mineral Leasing Act of February 25, 1920.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Minnesota?

There being no objection, the Senate proceeded to consider the bill (H.R. 11049) to amend the Mineral Leasing Act of February 25, 1920, which had been reported from the Committee on Interior and Insular Affairs with an amendment to strike out all after the enacting clause and insert:

That section 31 of the Mineral Leasing Act of February 25, 1920 (41 Stat. 450), as amended (30 U.S.C. 188), is further amended by designating the first paragraph thereof as subsection "(a)", the second paragraph as subsection "(b)", and adding two new subsections to read as follows:

"(c) Where any lease has been terminated automatically by operation of law under this section for failure to pay rental timely and it is shown to the satisfaction of the Secretary of the Interior that the failure to pay timely the lease rental was justifiable or not due to a lack of reasonable diligence, he in his judgment may reinstate the lease subject to the following conditions:

"(1) A petition for reinstatement, together with the required rental, for any lease (a) terminated prior to the effective date of this Act must be filed with the Secretary of the Interior within one hundred and eighty days after the effective date of this Act;

"(2) No valid lease has been issued affecting any of the lands in the terminated lease prior to the filing of the petition for reinstatement."

"(d) Where, in the judgment of the Secretary of the Interior, drilling operations were being diligently conducted on the last day of the primary term of the lease, and, except for nonpayment of rental, the lessee would have been entitled to extension of his lease, pursuant to section 4(d) of the Act of September 2, 1960 (74 Stat. 790), the Secretary of the Interior may reinstate such lease notwithstanding the failure of the lessee to have made payment of the next year's rental, provided the conditions of subparagraphs (1) and (2) of section (c) are satisfied."

SEC. 2. Nothing in this Act shall be construed as limiting the authority of the Secretary of the Interior to issue, during the periods in which petitions for reinstatement may be filed, oil and gas leases for any of the lands affected.

Mr. BIBLE. Mr. President, this bill was reported by the Committee on Interior and Insular Affairs. Public hearings have been held on the bill. The measure, as to which there was a companion measure in the Senate sponsored by the chairman of the committee, the Senator from New Mexico [Mr. ANDERSON], would not require any expenditure of Federal funds.

The bill would permit the Secretary of the Interior to reinstate oil and gas leases that have heretofore been terminated by operation of law because of the lessee's failure to pay rental timely, where it is shown to the satisfaction of the Secretary that such failure was justifiable or not due to a lack of reasonable diligence. In addition, the bill provides for reinstatement of leases where the Secretary finds that drilling operations were being conducted in good faith on the last day of the lease term, and the lessee would have been entitled to such extension pursuant to section 4(d) of the act of September 2, 1960 (74 Stat. 781), except for the nonpayment of the next year's lease rental.

The bill has been discussed with Members on both sides of the aisle. I understand it has been cleared for action. I ask that the bill be passed.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 11049) was read the third time, and passed.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2165), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE OF MEASURE

H.R. 11049, as amended by the committee, will permit the Secretary of the Interior to reinstate oil and gas leases that have heretofore been terminated by operation of law because of the lessee's failure to pay rental timely, where it is shown to the satisfaction of the Secretary that such failure was justifiable or not due to a lack of reasonable diligence. In addition, the committee bill provides for reinstatement of leases where the Secretary finds that drilling operations were being conducted in good faith on the last day of the lease term, and the lessee would have been entitled to such extension pursuant to section 4(d) of the act of September 2, 1960 (74 Stat. 781), except for the nonpayment of the next year's lease rental.

BACKGROUND OF LEGISLATION

Prior to the 1954 amendment to the Mineral Leasing Act (act of July 29, 1954; 68 Stat. 585), failure of an oil and gas lessee to pay the annual rental in advance did not terminate the lease. Even though the lessee may have wished to abandon his lease and thought he was doing so by not paying the rental when due, under the law as it then was the lease did not terminate and the lessee continued to be liable to the U.S. Government for payment of all rentals during the life of the lease.

The operation of the law in this respect caused inequity to a number of persons, particularly to small independent operators and to persons who had purchased interests in Federal oil and gas leases as an investment. Accordingly the 83d Congress enacted remedial legislation amending section 31 of the Mineral Leasing Act to provide for the automatic termination of any lease on which there is no well capable of producing oil or gas in paying quantities if the lessee fails to pay rental on or before the anniversary date of the lease (Public Law 555, 83d Cong.).

The 1954 act is self-executing. If rental payments, in the full amount called for in the lease, are not actually received in the proper office of the Bureau of Land Management on the day the rental is due, the lease is automatically terminated. The Secretary of the Interior is without authority to grant relief administratively.

INEQUITIES TO BE REMEDIED

As a result, two types of inequities have resulted from the operation of the 1954 law:

(1) Where the lessee has failed to make payment of the full amount required by the lease, even though the "courtesy notice" of rent due sent by the Department may have contained a statement for payment of a smaller amount as a result of clerical error arising from the preparation and mailing of some 150,000 such notices a year. Recently the Department has changed these courtesy notices to make it clear that the lease, not

the notice, controls the amount of rental due.

(2) Where the lessee mailed the rental in good time, but for one reason or another it was not actually received in the proper Bureau of Land Management office prior to the anniversary date.

The Department of the Interior submitted an executive communication recommending that these inequities be corrected by amending the Mineral Leasing Act to provide authority for the Secretary of the Interior to reinstate a lease that has been terminated automatically if the lessee shows that failure to pay the lease rental was justifiable or not due to a lack of reasonable diligence. As recommended the legislation would have been applicable prospectively as well as retroactively.

In addition to testimony offered on behalf of the Department of the Interior in support of this legislation, your committee heard testimony concerning another inequity which has arisen as a result of the self-executing nature of the act of July 29, 1954, supra.

Under the provisions of section 4(d) of the act of September 2, 1960 (74 Stat. 781), a lessee was granted a 2-year extension of an oil and gas lease provided drilling operations were commenced on a lease during its term, or for the lease included within an approved cooperative or unit plan, and were being diligently pursued on the expiration date. However, the Department of the Interior has held that this extension is also subject to the provision of the act of July 29, 1954, in that, if the rental for the next lease year is not paid prior to the expiration date, the lease terminates automatically, notwithstanding the diligent drilling operations being conducted.

THE COMMITTEE AMENDMENT

The House approved amendments by its Interior Committee limiting the discretionary authority granted the Secretary of the Interior to reinstating leases which already have terminated as a result of past errors on the part of the Department; that is, where failure to make timely payment of the full amount due was caused by "reasonable reliance by the lessee on information or data furnished by the United States or one of its officers or agents." Thus, the provisions would be retroactive only, and not prospective as recommended by the Department, and the relief authorized could not be accorded lessees who were in any way at fault themselves, even through minor, honest mistake.

Reinstatement under the specified conditions was made mandatory upon the Secretary rather than discretionary.

The House also provided that deposit with the Post Office Department by registered or certified mail of a valid check or money order in the correct amount of the rental on or before the anniversary date would constitute payment.

The Department of the Interior, by letter to Chairman ANDERSON dated September 10, 1962, vigorously objected to the House amendments. The Department's letter is set forth in full below. At the hearing on the House-passed bill, Mr. Michael Giller, Chief of the Leasing Branch, Bureau of Land Management, appeared before the committee and urged the administration measure.

In addition, the committee received testimony from spokesmen for oil and gas operators that the broad prospective authority given the Secretary under the administration's recommendation would cause injurious uncertainty in Federal oil leasing activity.

The Senate committee amended H.R. 11049 by striking all after the enacting clause, and substituting the language of the administration's bill, S. 3030, with amendments. These amendments provide that the

last night for any separate views to be submitted. None have been filed. Earlier today I spoke to the majority leader, the Senator from Montana [Mr. MANSFIELD] about the bill, and he in turn took the necessary steps to clear it with any interested Senator.

Mr. PROXMIRE. The reason I asked the question is that I know the Senator from Illinois had objected to the bill and asked that it be returned to the committee for hearing.

Mr. SPARKMAN. It was.

Mr. PROXMIRE. It was returned to the committee. I merely wished to be sure, in the absence of the Senator from Illinois, that it had been cleared with him.

Mr. SPARKMAN. The Senator will recall that yesterday afternoon at the committee meeting the Senator from Illinois [Mr. DOUGLAS] stated that the only reason he objected was that he felt it was important enough to have a hearing before our committee.

He felt that we should not rely solely on the hearings before the House committee. Furthermore, he felt that the proper procedures had not been complied with.

Mr. HUMPHREY. I assure the Senator from Wisconsin that if for any reason the Senator from Illinois has any objection to the bill, he can move for reconsideration and we shall assist him in obtaining such reconsideration, so he will not be denied his opportunity to be heard.

Mr. PROXMIRE. I thank the Senator.

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 2193), explaining the purposes of the bill.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

INTRODUCTION

H.R. 13044 was initially reported to the Senate on September 18, 1962, Senate Report No. 2104. Subsequently, on September 25, 1962, the bill was recommitted to the committee for further consideration. The Housing Subcommittee held a meeting on the bill on September 27, 1962, and after consideration and deliberation in executive session, the subcommittee recommended, without objection, that the bill be reported by the committee. The Banking and Currency Committee further considered the bill in executive session on September 28, 1962, and ordered the bill to be reported. The committee recommends that the Senate give favorable consideration to this measure.

The bill has the approval of the administration and the support of the two national organizations of the Savings and Loan Association and the National Association of Home Builders.

PURPOSE OF THE BILL

H.R. 13044 is designed to permit Federal savings and loan associations to increase the portion of their total assets which may be invested in loans on multiunit residential properties. Under present law Federal savings and loan associations must include apartment loans along with other enumerated types of loans in what is known as the "20 percent of assets" category. Since this category also includes loans on commercial property, loans exceeding \$35,000 on any one property, and loans on property outside of

the regular lending area, the permissible investment in apartment loans is substantially less than 20 percent of assets.

Multifamily dwellings now account for nearly one-third of all housing construction and the proportion is rising almost monthly. Savings and loan associations are the largest single source of housing credit, and the committee believes that these institutions should have more freedom to participate in the financing of rental housing.

THE EFFECT ON HOUSING AND THE GENERAL ECONOMY

As recently as 1959 multifamily dwellings accounted for only 15 percent of all residential construction. Recent figures indicate that in mid-1962 the percentage had risen to 30 percent and was still climbing. The long-range cause for the increase in multifamily dwellings is the increasing urbanization of our Nation, the transportation problems of the suburbs, and the scarcity and high cost of land in metropolitan areas.

The situation is more serious in metropolitan areas where there is an increasing demand for multifamily projects. The figures in the table below show the changes that have occurred in the construction of multifamily projects over the last 3 years in certain metropolitan areas.

Percentage of private dwelling units authorized in structures with 5 or more dwelling units (selected metropolitan areas)

	1960	1961	1962, 1st half
Atlanta.....	32.8	28.1	36.0
Chicago.....	27.1	35.8	44.0
Cleveland.....	37.7	38.9	47.9
Los Angeles.....	42.0	42.8	49.6
Minneapolis.....	26.8	37.6	51.2
Philadelphia.....	23.6	30.7	47.7
San Francisco.....	37.0	46.8	50.2
Washington, D.C.....	45.2	51.0	50.6

Source: Federal Home Loan Bank Board.

The committee notes that even since 1960 there has been a sharp rise of multiunit structures in the areas listed. In a number of metropolitan areas, a large part of the increase has been in what was formerly primarily single-family dwelling communities. Except for Atlanta, each of the areas listed had more than 40 percent of its residential units authorized in structures with five or more units during the first 6 months of 1962. Three, Minneapolis, San Francisco, and Washington were over the 50 percent mark, and Los Angeles was just under 50 percent.

It also should be noted that residential construction and population are heavily concentrated in metropolitan areas. About 80 percent of residential building and 63 percent of our population are in metropolitan areas. In large degree many associations must, therefore, look to metropolitan areas for their investment outlets. The growth of the multifamily structure in importance nationally and particularly in metropolitan areas, including subsections of such areas regarded as suburban or until recently rural, indicates a need for modernization of the lending authority of Federal associations.

More immediate causes are found in population factors. The so-called World War II babies are now reaching marriageable age and young families typically live in apartments and do not become homeowners until their late twenties or early thirties. Thus over the next 5 years there will be an unusually heavy demand for multifamily construction. At the other end of the age span there is a continuing growth in the number of elderly families. More and more of these senior citizens are choosing multifamily units. Finally, the urban renewal program has resulted in the rebuilding of many cen-

tral city areas, and typically such areas are developed with multifamily dwelling units rather than single homes.

Savings and loan associations account for nearly 45 percent of all home mortgages, but a significantly smaller percentage in the case of multifamily dwellings. Unless associations are permitted to invest additional funds in apartments, the construction of needed rental housing could well be hampered. Apartment construction, like any construction, contributes substantially to employment and business activity both on-site and off-site and an increase in apartment construction means an increase in business for the community and indirectly for the entire Nation.

PRESENT RESTRICTIONS ARE OUTDATED

Although there have been minor changes in section 5 of the Home Owners' Loan Act, the basic restrictions against apartment lending were first enacted in 1933 under conditions entirely different from those existing today. For one thing the typical savings and loan association was so small that it was not able or willing to finance large apartment units. The average association had only \$500,000 in assets and made loans of perhaps \$100,000 in a year. The institutions then did not have the trained staff for this specialized lending. Moreover, in 1933 apartment construction had come to a total halt.

Today the typical association has \$15 million in assets and makes loans of \$4 to \$5 million a year, and of course in the larger cities there are large associations fully capable of financing large apartment projects. Mutual savings banks, somewhat similar to savings and loan associations but not operating under the Federal restrictions, have had a very satisfactory experience in financing large projects in Eastern States. National banks are not limited by law in the percent of their permissible real estate lending which may be invested in loans on multifamily dwelling units.

While the committee favors the enactment of the bill in order to increase the lending potential of Federal savings and loan associations on multiunit residential properties, it views with concern the increased vacancy rates in rental units in some areas, and hopes that the Federal Home Loan Bank Board will continue to exercise adequate supervision to prevent any excessive use of this additional lending potential.

BRIEF SUMMARY OF THE BILL

The bill would permit the Federal Home Loan Bank Board to authorize Federal associations to invest an additional percent of their assets, not to exceed 15 percent, in loans on multiunit housing properties. The bill would further require the Federal Home Loan Bank Board to set maximum loan limits under the new 15-percent limitation not to exceed those permitted under the National Housing Act for loans on FHA-insured multifamily units. The bill would have the effect of permitting Federal savings and loan associations to make substantial additional funds available for financing needed moderately priced multifamily dwellings. The committee feels that it is necessary that such associations be permitted to devote a larger portion of their assets to apartment lending than is now authorized under the present law. However, the committee does not believe that it is desirable to remove all restrictions or that these associations should be permitted to devote the bulk of their assets to loans other than on single-family dwellings. The 15 percent authorized in the bill would give the Federal Home Loan Bank Board appropriate leeway in adjusting the limits to take into consideration prevailing conditions in the economy and in the housing market.

Under the bill a Federal savings and loan association could continue as under the present law to make loans on multifamily dwellings without respect to the dollar limitations contained in this bill, but such loans would have to be counted in the present 20-percent-of-assets category.

DETAILED EXPLANATION OF THE BILL

The general lending provision of section 5 of the Home Owners' Loan Act of 1933 permits Federal savings and loan associations to lend without percentage limitation on first liens upon homes or combinations of homes and business properties within 50 miles of their home office (or, in the case of a converted association, in the territory in which it made loans while operating under State charter), provided not over \$35,000 is loaned on the security of such a lien on any one such property. By interpretations which go back to the early days of the legislation, it has been considered that these terms refer to property on which is located a dwelling or dwellings for not more than four families. However, not over 20 percent of such association's assets may be loaned on improved real estate without regard to the \$35,000 limitation and the 50-mile limit, but secured by first lien.

Under subsection (a) of the first section of the bill this general lending provision could, at the discretion of the Federal Home Loan Bank Board, be enlarged by an amount not to exceed 15 percent of assets to include—in addition to homes or combinations of homes and business property—other dwelling units, and combinations of dwelling units, including homes, and business properties which include only minor or incidental business use, subject to regulations of the Federal Home Loan Bank Board. These amounts are to be within the limits allowable in section 207(c)(3) of the National Housing Act (12 U.S.C. 1713(c)(3)) at the time of the loan. Loans on multiunit housing properties could thus be removed from the above-mentioned 20-percent limitation, unless such loans fell within that category because of the territorial limit, or the inclusion of more than minor or incidental business use, or by reason of the mortgage amount limitations, or unless the unpaid balances outstanding on loans made on the security of multiunit property under the new limit of up to 15 percent of assets the Board may establish pursuant to this bill exceed such limit.

A further effect of the bill would be to clarify the authority of Federal savings and loan associations to make first-lien loans on individual apartments in apartment buildings (frequently referred to as "condominiums"), a growing method of providing multiple housing.

Subsection (b) of the first section of the bill would amend the provision of section 5(c) of the Home Owners' Loan Act of 1933 which authorizes a Federal savings and loan association to use an additional 20 percent of its assets (subject to an overriding limit of 30 percent on the amount which can be used under the two 20-percent provisions) for the making or purchase of participating interest in first liens without regard to the area restriction. Under the existing law, this additional 20-percent provision can be used only with respect to "one- to four-family homes." Subsection (b) of the first section of the bill would change the quoted language so that the second 20-percent provision, which would remain exempt as at present from the area restriction, would be applicable to exactly the same types of property as those which would be covered by the general lending provision as amended by subsection (a).

Section 2 would make comparable changes in the provisions of the Federal Home Loan Bank Act relating to advances by the Federal home loan banks to their member institutions, both Federal and State chartered.

Under the existing provisions for such advances, these advances (except for certain advances made for not over 1 year or secured by obligations of or fully guaranteed by the United States) may be made only on the security of "home mortgages," limited to property on which there is located a dwelling for not more than four families. This does not give the Federal home loan banks adequate authority to make advances to their members on the types of multiunit housing which are needed today.

The proposed amendments in section 2 of the bill would substitute for the existing language "upon which there is located a dwelling for not more than four families" the language "upon which is located, or which comprises or includes, one or more homes or other dwelling units", with power in the Federal Home Loan Bank Board to define these terms. The existing limit of \$35,000 on the amount of a home mortgage eligible as collateral for such advances would also be amended so that the \$35,000 limitation would become applicable on the basis of the number of homes or other dwelling units covered by the mortgage, rather than being applicable to the total amount of the mortgage itself.

The PRESIDING OFFICER. The bill is open to amendment. If there is no amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading, was read the third time, and passed.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. HUMPHREY. Mr. President, what is the pending business?

The PRESIDING OFFICER. The appropriation bill on civil functions is open to amendment. The Senator from Wisconsin has the floor.

Mr. HUMPHREY. I thank the Senator from Wisconsin for his cooperation.

INTEREST ON TIME DEPOSITS OF FOREIGN GOVERNMENTS

Mr. PROXMIRE. Mr. President, before I call up my amendment to the pending bill, I send to the desk an amendment on the bill which would permit certain banks to discriminate in paying higher rates of interest to foreign central banks, and ask that the amendment be printed.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is as follows:

On page 1, line 5, strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of two years after such date, the".

On page 2, line 5, strike out "The" and insert in lieu thereof the following: "During the period commencing on the effective date of this sentence and ending upon the expiration of two years after such date, the".

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(During Mr. PROXMIRE's speech on the Glen Elder project:)

Mr. CARROLL. Mr. President, will the Senator from Wisconsin yield to me?

Mr. PROXMIRE. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Colorado, without losing my right to the floor, and I ask unanimous consent that his remarks precede my remarks in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

MAJOR GAINS FOR COLORADO IN PUBLIC WORKS BILL

Mr. CARROLL. Mr. President, the public works appropriation bill before us today contains two items of great significance to Colorado and its economy.

The first item is \$600,000 of advance planning funds for the Fryingpan-Arkansas water diversion project.

I do not know whether I should say this in the presence of the Senator from Wisconsin. I will strike this remark from the RECORD, if necessary.

Mr. PROXMIRE. Mr. President, if the Senator will yield at that point, I will say to him that I voted against that authorization when it was before the Senate. I did so with a heavy heart, because I have great respect for the Senator from Colorado. He made a wonderful fight for it. I think that project is infinitely more worthwhile than the Glen Elder project. It had a clearly favorable cost-benefit ratio, and I suspect, although I do not know, that the farmers are in favor of it. With respect to the Glen Elder project, 90 percent of the farmers are against it. So I presume the Fryingpan-Arkansas project has considerably greater merit.

Mr. CARROLL. I do not wish to enter into the Glen Elder project debate at this time. In the years I have been with the Senator from Wisconsin in this very important body, I have never known him to be wrong but once, and that was on the Fryingpan-Arkansas project.

To continue with my statement; the second item is the allocation of \$500 million for the immediate implementation of the accelerated public works program which was approved by the Congress and signed into law by the President on September 14.

These moneys, Mr. President, will bring immediate and needed assistance to areas of my State which have not taken part in Colorado's general high level of industrial expansion and growth.

Senators, in committee and on the floor, have over the last 6 years heard me speak often of the importance of the Fryingpan project to the State of Colo-

rado. Obtaining congressional approval of this project has been one of my major interests during my years in the Senate. The State of Colorado and its congressional delegation without regard to partisan politics was pleased and gratified when at long last this dramatic projected diversion of water across the Continental Divide received the approval of both Houses of Congress and of the President.

The overwhelming importance which my State attaches to this project was most clearly displayed when the President of the United States joined us in our celebration ceremony in Pueblo, Colo., on August 17. Never before has Pueblo seen such an outpouring of people.

At that time, the President said in the course of his remarks that "a rising tide gets all the boats." Completion of this project will mean that Pueblo and the Arkansas River Valley will have their tide; they will have the water needed to bring new industry and business development.

The bill before us today represents the first actual money appropriated for this project. The quick action of the Senate to appropriate this \$600,000 for advance planning will be taken by the people of this region of my State as a sign that at last actual planning is to be started and that early construction can be expected. This will give a much needed boost to the morale and a stimulus to the economy. Leadville, with an unemployment rate of 50.7 percent and Pueblo with an unemployment figure of 9.8 percent in its 27th consecutive month of unemployment over 6 percent will be cheered by the news that the Senate has approved this money.

Mr. President, I congratulate the very able and very distinguished chairman of the Senate Appropriations Committee for his understanding and prompt action in behalf of the people of Colorado by adding these Fryngpan advanced planning funds to this bill. All of Colorado is in his debt.

A few weeks ago, after receiving discouraging word from the other body, it looked as though we would have no planning funds this year. However, with the favorable action of the Senate Appropriations Committee and with favorable action from the Senate today, I believe that prospects for House approval of this vital money have greatly improved. I have talked with House Members and I am hopeful that we shall have the support and approval of that body for these planning funds.

EMERGENCY PUBLIC WORKS TO HELP DEPRESSED COLORADO REGIONS

This bill also includes \$500 million to be used for the first 4 months of the accelerated public works program. This money will be used to accelerate worthy projects in certified redevelopment areas and in areas of substantial labor surplus. This program offers the hope of obtaining Federal assistance for the construction of needed projects in Colorado's seven area redevelopment counties. These counties are Alamosa, Clear Creek, Conejos, Costilla, Gilpin, Huerfano, and Las Animas.

It is my understanding that these funds will be allocated through regular Federal agency procedures. I understand that eligible projects include hospital construction, water and sewer projects, as well as other community facility programs.

Mr. President, these areas of my State have public works needs which they have been unable to fill. I know that the cities of Pueblo, of Trinidad, and of Georgetown have woefully inadequate water and sewer systems which they have been unable to improve because of lack of funds.

The city of Alamosa and indeed the San Luis Valley require improved medical facilities. Plans are in existence for a new wing to be added to the Alamosa Hospital. Hospitals in Conejos and Costilla County also desperately need increased bed capacity.

The county of Pueblo has matching funds in the bank and plans already drawn to build a needed hall of justice.

These are just examples, Mr. President, of the type of public works projects which these funds are intended to assist. The acceleration of worthy and needed community facility projects will mean improved living standards and economic growth for the depressed areas of my State and of our country.

Mr. PROXMIRE. Mr. President, I offer an amendment, which I send to the desk, and ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, reading of the amendment will be dispensed with. The amendment will be printed in the Record.

The amendment of the Senator from Wisconsin is as follows:

On page 12, line 9, in lieu of "\$160,361,000", insert "\$159,611,000".

Mr. PROXMIRE. Mr. President, I have done everything I can to persuade the Appropriations Committee not to approve funds for the Glen Elder Dam and irrigation project. I appeared before the Senate Committee on Appropriation and made a statement before that committee on June 7, of this year. On the same day, at the suggestion of the chairman of the committee, the Senator from Arizona [Mr. HAYDEN], who was very much shocked at the material I presented, I wrote a letter to every Member of the House Appropriations Committee calling his attention to the situation and pleading for them not to approve the Glen Elder project.

The project is a classic example of wasteful spending at its incredible worst. I hesitate to make a long, long speech in the Senate, but shall do so. I shall speak many hours on the subject for two reasons:

First, I wish to document in detail the general case against the billions of dollars of waste involved in the present system of congressional determination of irrigation and flood control projects, and the specific case against Glen Elder.

Second, for 5 years I have watched protests by a few Senators against the demonstrable, provable waste in this

area, protests made with only feeble support. Perhaps a comprehensive, thoroughly-documented case made in depth will dramatize the tragedy of this waste and shock Senators awake.

I offered the amendment to delete funds for the Glen Elder Dam project in Kansas, the only major Bureau of Reclamation "new start" in the President's budget for the fiscal year 1963 because I am opposed to the project for four reasons:

First. It is not properly authorized.

Second. It will lead to a sizable increase in feed grain surpluses.

Third. Its costs far exceed its alleged benefits.

Fourth. I have received petitions from 90 percent of the farmers who allegedly would have benefited by the irrigation project, protesting against it. I will show on the map at the rear of the Chamber that occupants of 85 percent of all the land that would be affected do not want this project.

The Glen Elder Dam and irrigation project is a \$60 million structure for which the sole congressional authorization is a single line in an 18-year-old act which contained over 300 projects.

This is a mockery of the formal authorization process, under which Federal projects are carefully reviewed and described in detail before getting congressional approval. In the case of Glen Elder, there has been no such review by Congress or the legislative committee directly concerned.

The Glen Elder project appears as one line in the so-called Pick-Sloan authorization enacted in 1944 which also included 325 other projects.

While it is listed in this wartime omnibus act, the project as it was then differs in almost every respect from the current proposal. The chief similarity is that the name is the same.

In 1944 the Glen Elder Dam was to cost \$17 million and would provide 300,000 acre-feet of storage capacity. Now the same project is to cost \$60 million and provide 800,000 acre-feet of storage.

In 1944, Glen Elder was described as supplying water to irrigate 26,000 acres of farmland. Now this has been cut to 21,000 acres.

We have therefore a project which was authorized 18 years ago that was to cost \$17 million; we now find that it will cost \$60 million. We have a project which at that time would have provided 300,000 acre-feet of storage capacity; we find now it would provide 800,000 acre-feet. At that time it would have affected 26,000 acres of farmland; we find now that it would affect 21,000 acres.

GLEN ELDER MAKES FARCE OF AUTHORIZATION PROCEDURE

What a farce this makes of the authorization procedure, when an 18-year-old one-line "authorization" so skimpy that the project can be modified out of all recognition is now used as the legal basis for the one substantial "new start" in the President's budget for fiscal 1963.

Until its present consideration by the Appropriations Committee, the Glen Elder project has not been reviewed by

Congress for 18 years. It has not been evaluated on its merits or in relation to the many other projects competing for a necessarily limited supply of tax funds.

The Senate Interior Committee recently evidenced a deep concern about this misuse of the authorization concept at a specially called hearing. Members of the committee indicated that all unfunded authorizations left over from the 1944 act should be referred back to the legislative committee for review and reauthorization.

It should be noted that this hearing by the Interior Committee concerned the authorization process in general, and unfortunately did not constitute a careful, detailed review of the Glen Elder project.

The position taken by the chairman of the Committee on Interior and Insular Affairs and other members of the committee at that time could certainly be construed as very critical of the Glen Elder project.

Glen Elder was simply taken off a shelf in the Bureau of Reclamation where it has been sitting since 1944, dusted off and sent up to Congress for money.

There is no indication why this project out of the many hundreds of others authorized at the same time, some with substantially higher benefits, has been singled out for construction to the tune of \$60 million.

I appeared before the Senate Appropriations Committee and made vehement objection and at that time the chairman of the committee, the distinguished Senator from Arizona [Mr. HAYDEN], indicated genuine shock and surprise. There is not a word in either the report or the hearings to contradict or refute my position, or to give evidence in support of the Glen Elder project.

GLEN ELDER WOULD FAIL TEST OF LEGISLATIVE REVIEW

The authorization process is the cornerstone of legislative oversight, a minimum requirement that should be observed even if a project is obviously and substantially justified.

Glen Elder has no such obvious justification. Indeed, a large portion of the benefits expected to result from this project are extremely dubious.

Because of its great antiquity, Glen Elder dates back to an era before farm surpluses became a multibillion-dollar burden on American taxpayers.

The lack of legislative review means it has not had to pass the test now applied that reclamation projects not contribute to farm surpluses.

Glen Elder would fail that test.

The right hand doesn't know what the left hand is doing in Congress when a reclamation project is proposed that will bring thousands of acres of land into new production of feed grains, just a few days after enactment of a farm bill designed to take millions of acres out of production of feed grains at a cost in excess of a billion dollars.

The only substantial "new start" in the President's budget for reclamation in fiscal 1963 is the Glen Elder Dam. Yet one of the main benefits expected

from this project is irrigation for 13,000 acres of land to produce grain sorghums, an important feed grain.

Right now the U.S. Government has a surplus of more than \$3 billion worth of feed grains.

The Glen Elder project would provide water for 60 new farms which would grow 13,000 new acres of grain sorghums with an annual crop value of more than \$1 million.

The cost of the public of providing irrigation for this land works out to more than \$1,500 per acre. To this must be added the millions of dollars worth of surplus grain sorghums that the Government would have to acquire.

As a national policy on resource development, this is straight out of Alice in Wonderland.

The spectacle of using scarce tax dollars to misuse scarce water to grow feed grains at the same time the Federal Government is spending more dollars to pay farmers to take other feed grain producing land out of production is utterly beyond comprehension.

The cost of the irrigation facilities alone on the Glen Elder project is \$17 million. Taxpayers will have to fork over not just the \$1 million plus per year for surplus feed grains, but also the initial \$17 million cost, as well as half a million dollars annually in imputed interest payments.

In the long run, the farmers owning the irrigated land will repay less than \$4 million of the initial cost and none of the imputed interest, which does not show up in any budget figure, but is a real cost to the public of some \$20 million additional over the life of the project.

It will cost \$1,810 per acre to bring water to the 21,000 acres involved in the project. Farmers using the irrigated land will pay back only \$191 at the rate of \$4 a year per acre during the 50-year repayment period.

The farmers pay \$8.50, but \$4.50 will go for operating and maintenance cost, and of course the \$4, therefore, is remaining for repayment. Another \$619 per acre will be paid by users of power generated by the power units of the Missouri Basin projects, none of whom will benefit from Glen Elder.

Here is a subsidy which is not coming from the general taxpayer. It is coming specifically from those who use power in Nebraska, South Dakota, and other States, and who will have to pay higher rates over the years, and yet they will not get one extra kilowatt of power. They will pay \$13 million of the \$17 million irrigation cost.

Every dollar spent on this irrigation project will bring only 40 to 60 cents worth of economic benefits. Normally a benefit-to-cost ratio of at least \$1 benefit for each dollar cost is required. Anything less is an unjustified use of Government funds.

Anything less will not get out of a congressional committee and usually will not pass muster in either the House or the Senate.

EACH DOLLAR SPENT NOW WILL COST \$3

What is more, each dollar spent to build this project will further cost well

over \$3 over the next 50 years in added farm surpluses and extra interest charges on the national debt.

Let me repeat that statement. It is very important. Each dollar spent to build this project will further cost well over \$3 over the next 50 years in added farm surpluses and extra interest charges on the national debt.

Even the flood control aspects of Glen Elder are of borderline value. Just to arrive at a benefit-cost ratio of \$1.09 to \$1 it is necessary to make the most favorable possible assumptions with regard to the time span of the project and the other calculations involved.

If a discount factor of 4 percent is used to evaluate the future value of current dollars, which most independent experts consider realistic—particularly since prime interest rates are about 4 percent—the costs of the project substantially exceed its flood control benefits.

I point out that the only reason the 2½ to 3 percent discount factor can be used is that it may be that this is the present cost to the taxpayer for the present debt. The reason the cost is so low is that much of the debt was accumulated in the 1930's, 1940's, or 1950's, when interest rates were extraordinarily low. They were low because Government bonds were pegged at par. They were low because the Government was then deliberately following a monetary policy which kept interest rates lower than they had ever been before and lower, I suspect, than they will ever be again, at least for a long time.

I doubt if any Members of the Senate—or more than one or two Members of the House—feel that we should go back to the situation of pegging Government bonds at par and to the situation of having interest rates as low as 2½ percent.

There is no question that over the time during which the Government would be borrowing money to pay for this project in Kansas, it would be necessary for the Government to pay far more than 2½ percent. To be realistic, the amount would be 4 percent. Therefore the 2½ percent seriously understates the realistic cost to the Government of the money it would take to build the project.

Only by postulating a 2½-percent discount and by using a 100 year time span is it possible to bring the benefits to the 1.09 to 1.00 barely favorable ratio.

I ask: Is this the project in our Nation with the most substantial expected rewards for its cost? Of the hundreds of other projects similarly "authorized" in the 1944 and other early omnibus acts, is this the most worthwhile, so that in the fiscal year 1963 it should be the only important "new start" in the flood control and reclamation field?

If it is, then I must very seriously question the standards and priorities that put so dubious an undertaking at the top of the list.

If not—as appears more likely—then surely Congress should demand to know which projects are more worthwhile, why they were not chosen, and what principles and guidelines are now employed in the Bureau of Reclamation to select new projects for construction.

In the absence of any effective congressional review of projects, this kind of information must be provided in detail if an informed choice on appropriations is to be made.

For these reasons I believe that no funds should be appropriated for the Glen Elder project, at the very least until it has been thoroughly scrutinized by the Senate Interior Committee.

I also believe that any further allocation of funds to multi-use water development projects should be held up until

Congress has reviewed the new criteria recently stated by the President's Cabinet level Water Resources Council.

Until new criteria are clearly established, there remains the possibility that economically unjustified projects like Glen Elder will be proposed again.

I ask unanimous consent that a table that I have prepared be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Aggregate and per acre costs of the Glen Elder irrigation project with and without imputed interest

	Aggregate	Per acre
Cost without interest: Total construction cost.....	\$17,000,000	\$810
Amount repaid by irrigators.....	4,000,000	191
Amounts repaid by power users.....	13,000,000	619
Different estimates of related interest cost (4 percent interest rate in all cases):		
Total over the years:		
50 years times \$80,000 (average).....	\$4,000,000	
100 years times \$520,000.....	\$52,000,000	
	56,000,000	2,700
Present discounted value of interest:		
2.5-percent discount factor:		
\$80,000 for 50 years.....	\$2,269,000	
\$520,000 for 100 years.....	19,039,000	
	21,308,000	1,010
4-percent discount factor:		
\$80,000 for 50 years.....	\$1,581,000	
\$520,000 for 100 years.....	12,742,000	
	14,322,000	662
Total cost: Present construction cost plus present discounted value of imputed interest:		
2.5-percent discount factor.....		1,810
4-percent discount factor.....		1,492

Mr. PROXMIRE. Mr. President, the total construction cost is shown as \$17 million. That is for irrigation. That is a per acre cost of \$810. The amount repaid by the irrigators—and that, incidentally, is without interest—is \$4 million, or \$191 per acre. The amount repaid by power users is \$13 million, or \$619 per acre. They get not one additional kilowatt. There is no additional power in this project. They will have to repay three-quarters of the cost of the project.

Unfortunately, there has been a tendency on the part of Members of Congress to ignore interest cost or to fail to compute in terms of its real meaning. That is what I wish to do this afternoon. I should like to compute the interest on the basis of a 4-percent rate, which I think seems to be more realistic, first on a 50-year basis for the amount that will be paid off in 50 years, and then on a 100-year basis on the amount that will not be paid off until the year 2060, the end of the 100-year period.

Because the \$4 million will be amortized over a 50-year period, I take the average balance, which will be \$2 million, and multiply that by 4 percent, and get an interest cost of \$80,000 a year on the average.

By multiplying the \$80,000 a year by 50 years, I get \$4 million as the cost that will be repaid by the irrigators.

In addition to computing the interest on the amount that will not be repaid until 2060, I take the remaining \$13 million, and I take 4 percent of that amount, because, of course, there is no declining balance. There is not a cent to be paid off until the end of the period, so we

have to compute the interest on the total amount. Four percent times \$13 million is \$520,000; and \$520,000 times 100 years is \$52 million—\$52 million plus \$4 million equals \$56 million. That is a per acre interest cost of \$2,700.

FIGURES REDUCED TO REFLECT DIMINISHED VALUE OF DOLLAR

To be fair—and I wish to be as fair as I can be—I think it is desirable for us to recognize that this computation does not give us an accurate or a fair picture of the cost, because this amount will be paid over a period of time, and the value of the dollars which will be used in 50 years, 75 years, and 100 years from now will be less, based on present terms. Therefore, I have discounted, I have reduced, I have diminished the value of those payments by applying two factors: first, a 2.5 percent discount factor. When I do that, applying it for the first 50 years, the cost is not \$4 million, but is \$2,269,000. When I apply it to the 100-year period, the \$520,000 a year paid back in 100 years is discounted—that is, reduced—from \$50 million to \$19 million.

When we apply the aggregate cost of the \$21,300,000, the interest is \$1,110 per acre. Just the interest alone is \$1,110.

When we add the interest cost to the total construction cost, we find that the acre cost to the Government is \$1,810.

Mr. President, the best land that can be found in Wisconsin can be bought, at the very most, for \$800 an acre. It is wonderful land. It is very fertile. It will grow almost anything. Yet the Government would pay \$1,810 an acre, not to bring new land into production, but to provide some improvement by irrigation in land in Kansas, which the local farm-

ers, as I shall point out in a moment, overwhelmingly disapprove, do not want, and reject.

If we apply a 4-percent discount factor—and I suppose, to be consistent, that that is a fairer application—the amount is reduced from \$21 to \$14 million.

The per acre interest cost is \$682, and the total cost—that is, the construction cost and the interest cost—is \$1,492, or approximately \$1,500 an acre. That is the figure to which I shall refer primarily in dealing with this situation in the rest of my presentation.

Mr. President, I ask unanimous consent that a second table entitled "Calculation of the Subsidy From the Public to the Irrigating Farmers on the Glen Elder Unit," in millions of dollars, be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Calculation of the subsidy from the public to the irrigating farmers on the Glen Elder unit

[In millions]			
	Total payment ignoring interest	Present discounted value at following discount factors:	
		2.5 percent	4 percent
Payment by irrigators ¹	\$4.000	\$2.269	\$1.581
Payment by power users in the Missouri River Basin ²	13.000	1.100	.260
Payment by the general taxpayer.....		13.630	15.162
Total repayment of the reimbursable costs of the irrigation project.....	17.000	17.000	17.000

¹ Payment by the irrigators is on the basis of \$80,000 annual payments for a 50-year repayment period.

² The payment by the power users is assumed to be made in the year 2060 when the power features of the Missouri River project will be repaid, along with the other existing irrigation projects, which will then permit the annual net income of the power features of the Missouri River Basin project to be used for the Glen Elder project. Lump-sum payment is assumed, since the annual net income from the power features will be large enough for this once it becomes available.

Mr. PROXMIRE. The table shows that the total payment by irrigators, ignoring interest, is \$4 million. The present discounted value, at a discount factor of 2½ percent of the \$4 million, is, of course, less. It is \$2,269 million. If we apply the 4-percent discount, the farmers will pay even less—\$1,581 million.

The payment by power users in the Missouri River Basin, who will get no benefit, is \$13 million. If we apply the discount factor to that amount, it is \$1.1 million at a discount of 2.5 percent, and \$260,000 only if the discount factor is 4 percent.

That means that the general taxpayer will pay between \$13.5 million and \$15 million in subsidy for the \$17 million irrigation project. In other words, general taxpayers all over the country will pay three-fourths to seven-eighths of the cost of this project.

STRONG LOCAL OPPOSITION TO GLEN ELDER

In the rear of the Chamber is a map which shows the area to be irrigated by the project. I have shown in black the

farms whose owners have sent me a petition protesting this irrigation project.

The only irrigation beneficiaries are those shown on the map. It is true that there are a few white patches, indicating farmers who did not sign the petition. It is possible that they, too, do not want the project. But they did not take overt action by writing to the junior Senator from Wisconsin to oppose the project, or to speak against it in the Committee on Appropriations.

But the map indicates that 90 percent of the farmers who have land in the area which is to be irrigated are opposed to the project. I am sure that if we consider the farmers who own land behind the dam, land that will be flooded, will be taken out of production—80 or 90 farms are to be destroyed—these farmers are really opposed to this kind of project, because it will mean that their farms will be entirely destroyed and they will be unable to go back to them.

Turning to those who would benefit, we find that they overwhelmingly, almost unanimously, oppose the project. Actually, this 90 percent of the farms constitutes, on a very carefully measured acreage basis, 85 percent of all the land involved.

I have in my hand a petition. I hope that Senators who will read the RECORD will consider the fact that the farmers who are supposed to benefit from the project overwhelmingly reject it as I shall indicate when I read the petition. They do so in very emphatic, clear-cut terms. There is no question where they stand concerning the project.

Incidentally, every one of the petitions has been notarized. The farmers involved obviously went to considerable

cost, inconvenience, and effort to let Congress know their views. It is incredible that Congress should insist on forcing a supposed benefit on farmers in Kansas who do not want the benefit; who themselves write and say they do not want it; and who petition against it.

As the map clearly shows, the only farmers who allegedly would be benefited by the irrigation project oppose it. I shall read one of the petitions. I shall not read all of them, but only one. They are all signed by different landholders, different farmers, who are affected by the irrigation project and do not want it. The petition is entitled "Petition Registering Objection To Formation of Glen Elder Irrigation Project." The first one is the petition of the Dimanowski estate, Esther Critchfield, and Irene W. Klein. The petition reads:

PETITION REGISTERING OBJECTION TO FORMATION OF GLEN ELDER IRRIGATION PROJECT

Whereas the Bureau of Reclamation, created and established by the Department of Interior, and whose functions include both flood control and irrigation; and

Whereas the Bureau of Reclamation has an office located in Beloit, Kans., which has done preliminary study and work on the feasibility of building the Glen Elder Dam and Reservoir in conjunction with the establishment of the Glen Elder irrigation project as a joint flood control and irrigation project.

Now, therefore, I/we the undersigned landowners whose address is Ester Critchfield, Geary, Okla., and Irene L. Klein, Guymon, Okla., owning land situated in the proposed Glen Elder irrigation project, described as follows:

149 acres in the NW of 17-8-5 and a tract of 11½ acres in 8-5-5 all in Cloud County, consisting of 160½ acres.

Now wherewith be it known to the Bureau of Reclamation and any other person, governmental department, or subdivision thereof, that we do hereby register our objection herewith to the formation of the proposed Glen Elder irrigation project and to further register our objection to any of the above described real estate being appropriated and used for irrigation purposes in the said proposed Glen Elder irrigation project as proposed by the Bureau of Reclamation.

And further declare that we will defend our rights against an appropriation of the said above described real estate in the proposed Glen Elder irrigation project.

THE DIMANOWSKI ESTATE.
ETHER CRITCHFIELD.
IRENE W. KLEIN.

Mr. President, as I have said, I have before me petitions from 384 landowners, who constitute 90 percent of the farmers involved in this situation, and their holdings constitute 85 percent of the land involved. Their names, addresses, and the acreage they own are listed, so that anyone who desires to check on the validity of these petitions can do so.

Mr. President, I also have before me a list of the landowners within the proposed Glen Elder irrigation project who by petition have registered their objections against the proposed formation of the project. Of course, I could read their names into the RECORD. However, instead of doing so, I ask unanimous consent that a list of their names and addresses and the acreage held by each of these landowners be printed at this point in the RECORD.

There being no objection, the list was ordered to be printed in the RECORD, as follows:

Landowners within the proposed Glen Elder irrigation district who have registered their objections by petitions to the formation of said irrigation project

Name	Address	Acreage	Name	Address	Acreage
Floyd Rominger and Thelma Rominger.....	Glen Elder, Kans.....	80	Mrs. Rutb Kirgis and George Kirgis.....	Beloit, Kans.....	160
W. L. Fuller and Etta Fuller.....	do.....	160	Roy A. Fobes and Trella Fobes.....	do.....	360
Elwood Harrison and Mary Harrison.....	do.....	160	J. A. Muck and May E. Muck.....	Glen Elder, Kans.....	23
Quentin Kelley and Pauline Kelley.....	Beloit, Kans.....	160	Vincent Engelbert and Elizabeth Engelbert.....	Beloit, Kans.....	160
John Bunker, guardian of William and Frederick Bunker, minors.....	do.....	146	E. D. Metcalf and Mrs. E. D. Metcalf.....	do.....	160
William Thiessen and Emma J. Thiessen.....	do.....	427	Albert McDysan.....	do.....	20
Stewart Barker and Louise L. Barker.....	do.....	186¾	Darrell L. Fobes.....	do.....	80
Charley V. Vetter and Charlotte Vetter.....	do.....	160	Robert Metcalf and Elizabeth Metcalf.....	do.....	160
Anna J. Olson.....	do.....	318	Doyle V. Neffert and Esther G. Neffert.....	Glen Elder, Kans.....	80
W. D. Thiessen and Olivine Thiessen.....	Denver, Colo.....	151	Elden McCune and Chloe McCune.....	do.....	112
A. C. Remus and Irena Remus.....	Beloit, Kans.....	154	Dean Miller.....	do.....	5
Effa May Metcalf.....	do.....	560	Fred Bochner, Laura Bochner, Earl Bochner, and Doris Bochner.....	do.....	160
Paul James.....	do.....	126	David Simpson and Elmer E. Simpson.....	do.....	40
Gerald Smith and Aileen Smith.....	do.....	221	L. L. Humes and Bessie Humes.....	do.....	80
W. Earl Porter and Thelma Porter.....	do.....	466.8	George Megli and Bernice Megli.....	do.....	240
Elmer Golladay and Sarah Golladay.....	Glen Elder, Kans.....	80	Sadie M. Gansel and Helene Gansel Wood.....	Beloit.....	23
Lena James and M. R. James.....	Beloit, Kans.....	160	Ferd R. Gansel.....	Hill City.....	
Maggie McClintock.....	do.....	306	Martha P. Morton.....	Concordia.....	
Minnie Thiessen.....	do.....	160	Joe D. Gansel.....	Beloit.....	
Lena James and M. R. James.....	do.....	110	Joe Hicks, William Hicks, and Virginia Bunker.....	Beloit.....	256
Louise Thiessen.....	do.....	384½	H.E. Marquis.....	Glen Elder.....	120
Ellen Davis.....	Salina, Kans.....	160	Carl Thiessen and William Thiessen.....	Beloit.....	150
Florence L. McKechnie.....	Glen Elder, Kans.....	160	Eva Ilean Grigsby and James W. Grigsby.....	Jacksonville, Oreg.....	160
Hamer Williams and Emma O. Williams.....	Beloit, Kans.....	480	Verna D. Rawlings and E. B. Rawlings.....	Santa Clara, Calif.....	
Millie Clover.....	Glen Elder, Kans.....	320	W. Earl Porter and Fronia Porter Harned.....	Beloit.....	109
Winifred Johnson.....	Beloit, Kans.....	435	Carl Thiessen.....	do.....	100
Elmer Porter and Christine Porter.....	do.....	200	Arnold C. File and Dee Ann File.....	do.....	160
Jay F. Johnson.....	do.....	110	A. Graff by Paul T. Graff, agent.....	do.....	140
Doyle L. Remus and Mrs. Shirley Remus.....	Glen Elder, Kans.....	283	Amos Chapman and Alma Chapman.....	do.....	145½
Maxine Reinhardt, R. A. Reinhardt, Elizabeth Dean, and Keith Dean.....	do.....	160	Arnold C. File and Dee Ann File.....	do.....	200
Mrs. Carl A. Porter.....	Beloit, Kans.....	160	Ralph Nicholson and Meredith Nicholson.....	Glen Elder.....	80
Anna R. Thiessen, Carol Thiessen, Marjorie Thiessen Havel, Kenneth D. Havel, Vernon Thiessen, and Anna L. Thiessen.....	do.....	105	John Porter.....	do.....	80
William J. Remus and Orpha A. Remus.....	Glen Elder, Kans.....	160	G. H. Gish and Laey Gish.....	do.....	9
Emma Lund and Frank J. Lund.....	do.....	280	Ralph Nicholson and Meredith Nicholson.....	do.....	220
Leo H. Eberle.....	do.....	10	M. E. Gentleman and Ava B. Gentleman.....	do.....	262
Mrs. Sylvia E. Vetter and John O. Vetter.....	Beloit, Kans.....	383	Gerald Farr.....	Beloit.....	160
Guy Noller.....	Glen Elder, Kans.....	196	Ora Porter.....	do.....	160
Lula Rawlins.....	Beloit, Kans.....	398½	Frank T. Nash and Marey T. Nash.....	Glen Elder.....	425
			Nash estate by Frank T. Nash, administrator.....	do.....	300
			Mrs. Clara Rominger.....	do.....	160
			Merle L. Campbell.....	Topeka.....	37
			Seth F. Wilson.....	Asherville.....	199

Landowners within the proposed Glen Elder irrigation district who have registered their objections by petitions to the formation of said irrigation project—Continued

Name	Address	Acreage	Name	Address	Acreage
Alfred Emmot and Carrie Emmot	Beloit	80	Lola Remus	Beloit	388
Duane K. Stille	Seabrook, Tex.	600	Mrs. Ethel Burnette	do	160
Vera M. Cruse and Floid E. Cruse	Farragut, Iowa		Jess Dameron	do	67
Louis E. Stille	Fort Worth, Tex.		Regina M. Hodder	do	215
T. Boyd Hull	Beloit	389	John A. Heller and Rose D. Heller	do	146
Mrs. Ross Strawn	do	178	Leonard J. Heller	do	69½
Nick A. Erzen	do	254	William T. Heller	do	80
Lola Remus, Mary Virginia Remus, Kim Remus Twila V. Remus, and John B. Kruse	do	160	Robert N. Sherrard	do	178
Kenneth Wendell and, Lucile K. Wendell	do	47	Duane E. File	do	160
John H. Mathels	do	345½	Susagnes Heller Schwerman	do	79
Charlotte File	do	80	Irene Hyde Miller	do	120
Mrs. Anna Jous	Wichita, Kans.	160	Louise Hyde Dooley	do	420
Susan File	Beloit	235	Elizabeth Myers	do	80
Donald Dooley	do	160	Vernon Thiessen and Anna L. Thiessen	do	200
John C. Vonderheide, Rose Vonderheide, Katherine Vonderheide, and William Vonderheide	do	280	Wilfred J. Wendell	do	187
Lucy A. Brackett	do	95	Thomas S. Hyde	do	240
Mary E. Stover, agent	do	160	Elizabeth Schwerman	do	241
Seth F. Wilson and Therou Wilson	Asherville	135	Miles E. File	do	480
Lawrence Briney	Beloit	20	Melvin C. File and Mrs. Melvin C. File	do	120
Wilbur W. Kent	do	137	Earl File and Tolva File	do	583
Harry R. James and Margaret M. James	do	160	Mrs. Lena M. Roberts	do	307
Robert Vernon, Betty Jean Vernon, and Mrs. Effie J. Vernon	Simpson	280	V. R. Schmidt and Katherine M. Schmidt	do	160
Don Duff	Beloit	160	Dan G. Wood and Helene K. Wood	do	200
Joe McClure	Simpson	160	Robert Wagner and Margaret Wagner	do	80
Mrs. May Vernon	do	160	do	do	106
Thomas L. Carlin	Beloit	120	C. E. Plymire, by Lois Plymire Pruitt, guardian	do	120
Joe Krone	do	42	Margaret Anderson and Edwin Davis	Glen Elder	10
Edgar T. Pierce and Hazel L. Pierce	do	79	Mrs. N. L. Davis	do	129
Mrs. Ella C. Wagner	do	153	Albert L. Davis	do	40
Irma Schellinger	do	88½	Rex Borgen	Asherville	160
Daisy E. Guard	do	122	Mrs. Melva McClintock	do	240
Everett M. Burkhead, Ethel Wolverton, and Doris Licurance	do	109	Frank O. Pearson	Simpson	123
Gertrude E. Burnette and William Burnette	Asherville	152	C. A. Robertson and Mrs. C. A. Robertson	do	240
Chas File	Beloit	359	Mrs. Thelma Spicher	do	320
Otto E. Lange and Mary L. Lange	Asherville	226	James Robertson	do	239
Marietta Stille	Beloit	80	Marie Niehaus	Beloit	81
Viola E. Pearce	do	126	Eugene File	do	94
Frances Heinen	do	302	Charles Pearson	Simpson	208½
R. J. Fittell and Cora B. Fittell	do	148½	Harrell Guard, Sr.	Asherville	160
			Beatrice Childs	Simpson	425
			Total		28,603½

Cloud County landowners registering objection by petitions to formation of Glen Elder irrigation project

Name	Address	Acreage	Name	Address	Acreage
W. A. Adams	Glaseo, Kans.	240	Earl E. Keller	Clyde, Kans.	360
Mabel A. Childs and C. R. Childs	Delphos, Kans.	80	Mrs. R. L. Brock and John R. Brock	Glaseo, Kans.	396.05
do	do	195	Walter Butler and Bertha Butler	do	448
T. M. Butler	Glaseo, Kans.	340	John R. Brock	do	454.07
Walter Sheets and May Sheets	do	200	Martin E. Butler	do	320
Florence Gray Bundy	do	40	Virginia L. Steinbrook	do	220
Mrs. Howard Courtney and H. L. Courtney	do	170	Ray H. Petters	Manhattan, Kans.	
Wesley Fuller	do	160	Celestine Louthan and Robert Louthan	Simpson, Kans.	320
Emery Yenni and Maxine Yenni	do	640	Robert Louthan, Celestine Louthan, Frank Louthan, Mrs. Frank Louthan, James R. Louthan, John E. Evert, Mrs. Etta Evert; Herman Evert, and Mrs. Emeline Evert.	do	400
Lawrence Sheets and Eva Sheets	do	697	Clint Evert	do	12
Joe Sheets	Concordia, Kans.	304	Jean M. Noel, Elizabeth L. Chestnut and Robert Chestnut	Glaseo, Kans.	267
Peter H. Beck and Maude C. Beck	Glaseo, Kans.	160	Chas. Gehrke, Ida Gehrke, Duane Gehrke, and Carol Gehrke	do	480
Willis Beck	do	204	George E. Bond, Mrs. George E. Bond, and Cath- erine Bond	do	1
Leona Smith (Cyrier) McKemey	Jamestown, Kans.	74	Sophia C. Horn, Marie G. Horn, Eleanor H. Thompson, and Letha J. Horn, by Sophia C. Horn, attorney in fact.	do	160
John V. Downey	Glaseo, Kans.	160	Elmer Hoffman and Elizabeth Hoffman	Simpson, Kans.	80
Joe Downey	do	320	Margaret C. Gruenthal	Glaseo, Kans.	106
Ada J. Orebaugh	do	551	Elmer Halderson	do	480
Leslie O. Wealand and Elsie L. Wealand	do	80	Henry Prochaska and Mrs. Henry Prochaska	do	160
William K. Dopp	do	100	Emma E. Chapman	do	413
Sarah E. Dopp	do	11	George M. Chapman	Beloit, Kans.	
Ilattie M. Nowels	do	153	Total		11,810.61
Arden E. Halderson and Orville Halderson	do	160			
Boyd Chapman and Mrs. Boyd Chapman	do	9			
Blanche Teasley and Dale Teasley	do	4.49			
Claude Orebaugh	do	10			
Max D. Martin and Lorene Brown Martin	do	345			
Mrs. Mary Ellen Lott	do	80			
Jess M. Dalrymple and Evelyn H. Dalrymple	do	150			
J. M. Davidson	do	900			
Mrs. Clara Pinkall	do	160			

Ottawa County landowners registering objection by petitions to formation of Glen Elder irrigation project

Name	Address	Acreage	Name	Address	Acreage
Mrs. Caroline Atwell McKain	Manhattan, Kans.	160	John R. Nelson	Delphos, Kans.	160
Alva F. Adams	Delphos, Kans.	70	Minnie G. Wealand	Glaseo, Kans.	80
Christina Hurtig	do	160	Clara Latham	Delphos, Kans.	79
John Nelson, Sr.	do	1,341	Alma Atwell and Guy Sumeril	do	202.5
Harold C. Hollis	do	160	Graco M. Narns and Nellie C. Burger	Kansas City, Mo.	
Avis Taylor and Earl G. Taylor	do	308	Theodore Paramore, Corliss Paramore, and Ellis Paramore	Delphos, Kans.	868
Avis Taylor and Ellis Paramore	do	320	Larry C. Atwell	Tucson, Ariz.	160
J. M. Hart	do	20	Clyde Smith	Ottawa, Kans.	374
Allen L. Atwell	do	204	Burton Smith	Delphos, Kans.	323
B. M. Halderson	do	439	Robert Mortimer	do	372.5
Fred L. Jilka	do	160	Laura Olson, Anna Olson, and Mary Olson	Glaseo, Kans.	100
Lawrence J. Hart and Mary A. Hart	do	357	W. A. Adams	do	160
Leo Allison	do	160	Total		7,149
Charles E. Parks	do	250			
Mrs. Neva Wilkins	do	161			

Mr. PROXMIRE. In addition, Mr. President, after the petitions were filed, I received a notice of two more petitions against the project. One is a petition by the owner of 840 acres in Ottawa County and Cloud County, Kans. The other petition is from the owner of 192 acres; and a petition form was sent to the owner of four-fifths of an estate which is involved.

In addition, telegrams have been coming to me steadily during the last 3 or 4 months. One of the most recent reads as follows:

BELOIT, KANS., September 26, 1962.
Senator WILLIAM PROXMIRE,
Senate Office Building,
Washington, D.C.:

Please help hundreds of landowners protesting Glen Elder Dam and irrigation.

R. M. and Mrs. DUANE FILE.

Another telegram reads as follows:

BELOIT, KANS., September 26, 1962.
Senator WILLIAM PROXMIRE,
U.S. Senate Office Building,
Washington, D.C.:

As landowners signing petition, we are definitely against Glen Elder Dam.

Mr. and Mrs. V. R. SCHMIDT.

Mr. President, as a further indication of the opposition to this proposal, I wish to read several letters. They were received the day after I appeared at the committee hearing. When I went there, I assumed that the landowners involved would favor the project; I assumed they favored the project because they believed it would result in greater income for them and greater production, and that it would enable them to have better grazing—although I would still have opposed the project, because I think such an attitude would be wrong. However, I find that the landowners are almost unanimously opposed to the project.

I read one of the letters:

JUNE 8, 1962.

DEAR SIR: I'm surely glad somebody had nerve enough to speak out against this dam. I live about 30 miles down the river from Glen Elder. We get all the rainfall we need maybe not at the right time nor the right amount at once—if we had irrigation you take the water in your turn maybe we get a big rain what then? Our valley is too narrow—it would take years of leveling by the time farmers were ready to irrigate they would have lost the land in expense. The floods are a matter of cause and effect. They grade up the roads and highways so what? Lets make smaller dams and keep more water where it falls. If this water should cover up Waconda Springs I say it would be a crime against nature. Power to you.

Yours truly,

The next letter reads as follows:

JUNE 8, 1962.

DEAR SENATOR: Being a part of the majority of this area opposed to the construction of the proposed Glen Elder Dam, my husband and I were delighted to see by last night's Salina Journal that you are also opposed to it. It does not make sense to spend over \$59 million for a reservoir, which, because of its location, will not provide the expected flood control, and there will be no irrigation district.

There will be no irrigation district because over 48,000 acres of land along the river below the damsite in Mitchell, Cloud, and Ottawa Counties have been petitioned out of any irrigation district that might be proposed.

Although the Bureau of Reclamation claimed at first that there would be a district of 21,000 acres, which they have now cut to 13,000, the Bureau knows that even these few acres will be impossible to find for a district. Thus, they are asking for the project under an entirely false premise.

Maps showing the blacked-out areas of farms petitioned out, plus copies of the original petitions and witnessed signatures, are on file in Floyd Dominey's office in Washington, D.C. He and the Bureau know that Kansas law requires 50 percent of the landowners to petition the State for an irrigation district. The maps show that there is not enough land not blacked out to create a district. The maps have also been submitted to the Senate Appropriations Committee, of which you, I believe, are a member—

Incidentally, that is an error—

by Joseph E. Franzmathes, Washington, D.C., who represents the big majority of the area opposed to the entire project.

The proposed dam would back water to a point west of Downs, in Osborne County. Osborne County is a part of the Irrigation district below the Webster Dam, which shows how close the Glen Elder Dam is to the Webster as well as the Kirwin, both on this one small Solomon River. State figures show that the Solomon drains one-eighth of the State, but puts only one-twelfth of the water into or carried by the Kaw, or Kansas Rivers, during floodtimes. That is the figure before the Webster Dam, so it would be even smaller now. The big feeder creeks of the river are below that Glen Elder site, so the dam would offer very little flood control.

As to recreation spots, this area is surrounded by the Lovewell, Kanopolis, Webster, and Kirwin Dams and Reservoirs plus parks, so that to say it is needed for that purpose is as smart as to irrigate to produce more.

This area has been fighting this dam for 25 years. The enclosed newspaper clipping shows an item reprinted from a 1952 paper, when a Congressional Basin Survey Commission met at Hays, Kans. Congressman Clifford Hope, chairman of the group, later made an investigative tour through the valley and proposed site. His report stated that he found the dam neither needed nor wanted. That should have killed it once and for all, but the Bureau hates to give up. It keeps trying to get it approved, and each time makes it a bigger project, until it is now one of the biggest lakes in the State that they want.

Since the project will do none of the things for which it is proposed, and since the majority oppose it in a three-county area, why waste money investigating, surveying, and planning it? It is no wonder that we can't balance the budget when we have such senseless spending of tax dollars.

Sorry that I have written at such length, but I hope you will continue to oppose the project. Perhaps this letter will help substantiate the statements of Mr. Franzmathes, who grew up here and has land along the river in what the Bureau says would be the Irrigation district. He knows the facts and the sentiment here.

Thank you for anything you can do to kill the entire project.

Sincerely,

There was attached to the letter an item from the Gazette files for June 12, 1952, as follows:

FROM OLD GAZETTE FILES—JUNE 12, 1952

Nearly 100 Mitchell County farmers living below the proposed Glen Elder Dam as well as several businessmen appeared before the Basis Survey Commission at Hays on Friday to protest this proposed project by the Bu-

reau of Reclamation. Stewart Barker acted as spokesman for the delegation.

Another letter which I have received reads as follows:

JUNE 8, 1962.

DEAR SIR: We are indeed very very grateful for your protest against the Glen Elder, Kans., Dam.

In 1952 a group of some 100 farmers and businessmen appeared before the mission's Basis Survey Commission and defeated the issue. It was proven that it was not wanted nor necessary with two other dams, Kerwin and Webster, being built to enlarged capacities.

Unfortunately in 1956 a restaurant owner who moved into Beloit and two others reactivated the issue and for 2 years it was promoted up and down the Beloit streets by motorboat owners, etc. Lovewell Dam in Jewell County is only some 35 miles distant over good roads.

The April 10 meeting brought out the fact that those of us in the proposed irrigation district would be faced with \$1,000 per acre costs. The feed grain payment last year on my husband's farm was \$18 to \$15.20 per acre. How many years would it take to pay for 1 acre. Furthermore this feed grain land has to be worked twice or three times a year to keep the land free of weeds—and this alone costs some \$10 per acre, labor, gasoline, tractor, etc.

To protect ourselves we landowners now have approximately 380 landowners owning some 49,000 acres petitioned out of any irrigation district ever being formed in the Glen Elder district. This constitutes 90 percent of the entire district—

And so forth. I wish to read another paragraph of the letter:

When the Russian hordes take over the U.S. Senate, they won't want Kansas; there's going to be nothing left but dams, reservoirs, parks, etc., and whenever the Corps of Engineers and Bureau of Reclamation can go ahead making plans for dams three times the cost, three times the size, etc., and twist the President and Congress around their little finger, there is not much left of our democratic form of Government, and a government of the people, by the people and for the people has most certainly perished from this earth.

We ask you to continue your fight against any and all funds ever being spent to further this project. Thank you.

Respectfully,

I also received the following letter:

JUNE 7, 1962.

DEAR SENATOR: I wish to congratulate you on your stand on the proposed Glen Elder Dam in Kansas, as this is something that we do not need, and a waste of the taxpayer's money. Keep up the good work. This letter is from one who lives in this territory and knows the situation.

Sincerely,

Mr. President, on May 17 of this year Mr. J. E. Franzmathes, who has been devoting a great deal of time to, and is very expert on, this project appeared before the Public Works Subcommittee of the House Committee on Appropriations on behalf of the Solomon Valley Citizens Association in opposition to the construction of the Glen Elder Dam and irrigation project. He had this to say before that committee:

I appreciate this opportunity to appear before this Committee today on behalf of the Solomon Valley Citizens Association. This organization was created for the purpose of opposing the construction of the Glen Elder,

Kans., Dam and irrigation project which is currently in the planning stage by the Bureau of Reclamation.

The Solomon Valley Citizens Association consists of over 380 farmers owning over 50,000 acres of land in and adjacent to the proposed irrigation district. The exact boundaries of the proposed irrigation district are not known to these farmers and, therefore, some of their land covered by these petitions may not be included in it. However, to be on the safe side, they have all petitioned their land out of any irrigation district that might be created in the Solomon Valley below the dam.

Copies of the petitions have been sent to Mr. Floyd Dominy of the Bureau of Reclamation. If copies have not been made available to this committee, they will be submitted if you so desire.

These petitioners own over 85 percent of the land in the proposed area and consist of approximately 90 percent of the owners in the district. They and their forefathers developed that part of the country and made the Solomon Valley productive. They own the land which floods every time the Solomon River comes up—not business people looking for a quick profit during the construction period—

The argument being made is that the farmers are opposed to it. Those who favor the dam are, of course, the local business people, who would get a considerable benefit out of the \$17 million project—a project which, in fact, over a period of a few years would have a total cost of \$60 million—because there would be a big payroll in this area. Workers on the project would be inclined to spend substantial amounts of money in local banks, grocery stores, and stores and shops of merchants, who, of course, would benefit. But the landowners, those who developed the land, and who would be directly affected, are overwhelmingly against the project.

To continue with Mr. Franzmathes testimony before the House committee:

Back in the 1930's, Congress authorized the Pick-Sloan plan for development of the Missouri Basin. It provided that local individuals would organize irrigation districts before requesting help from the Federal Government.

Now, no such prerequisite was met in the Glen Elder Dam project. In fact, just the opposite occurred. When the farmers in the area learned of what was happening, they petitioned their land out of any irrigation district.

Approximately 14,000 acres of land will be inundated by the proposed reservoir. This does not include the perimeter lands needed for the "pleasure park," the access roads, the acreage taken for the channels and ditches or the flood pool which is only leased but rarely good for production since it is flooded during high water.

This is a tremendous amount of good bottom land to take out of production under the guise of saving a nominal amount of sandy soil along the Solomon River from flooding. Much of this sand will not produce even under irrigation. As a matter of fact, land suitable for irrigation in the proposed district is very spotty. It has been explained that this soil does not permit the penetration of water as necessary for good irrigable land.

A great number of farm families currently residing in the proposed reservoir site will be displaced and will be faced with the problem of finding other suitable farm homes or some gainful employment in industry. These farmers have depended entirely upon tilling the soil as their means of livelihood and know no other occupation.

The reservoir will also cover what we consider a geological wonder south of Cawker City: Waconda Springs—"the Great Spirit Spring." There is much sentiment attached to this historical landmark and we hate to lose it. Mr. Howard W. Baker, Omaha regional director of the National Park Service of the U.S. Department of the Interior, in a speech in Lincoln, Nebr., on February 18, 1960, stated that historical sites meriting preservation included "Waconda Springs, Mitchell County, Kans."

Aside from sentiment, it must be recognized that this is a salt water spring. Some of the Nation's greatest salt mines are in Kansas. The Arkansas River contains so much salt that its water cannot be used for drinking in the fall. This reservoir could easily be salty and the water unfit, worthless, and damaging for irrigation purposes.

For the farmers who live below the dam it would mean a cost of approximately \$60 per acre for leveling the land so that water could be brought to it. If benches or terracing is needed, the cost could easily run to \$150 or more an acre.

Taxes will have to be increased to compensate for the land removed by the reservoir. Fourteen thousand acres of bottom land, together with the loss of personal property that will be destroyed, percentagewise, is an appalling amount of valuation to take off the tax rolls of Mitchell County.

Extra labor will be needed to farm irrigated land. A report of the extension irrigation engineer at Kansas State University, Manhattan, Kans., stated that "records show that for 50 acres of corn the total cost of production is \$55 to \$65 an acre. These are only the production costs. The original leveling costs are not included.

Mr. President, I continue with the testimony given by this gentleman who is outstandingly expert in the field. Incidentally, he is one of the very few people to appear before the Appropriations Committee on this issue. He said, further:

Such costs—

Which I have listed—

Such costs will eliminate many of the small farmers.

Irrigation is not necessary to make that land produce profitably. North-central Kansas is not arid. It has an annual rainfall of 22 to 30 inches. That is enough to produce wheat. Thirty to forty bushels an acre on bottom land is not unusual. Fifty is not rare. Wheat is not costly to produce. Actually it will net more to the farmers than many irrigable crops and at half the work.

It is evident that these irrigation projects for increasing production to feed a growing population are not necessary—

We can certainly say that again—

The Nation's farmers have proved that they can increase production at a faster rate than the population is increasing.

The Secretary of Agriculture testified only a few months ago that 20 years from now there will be far fewer acres in production than there are today—not more, but fewer.

As far as flood control is concerned, the proposed dam is not the answer. The dam would offer but little protection to the Kansas Valley and to Kansas City, 250 miles distant. The Kansas River Basin survey board said, "There is no precedent for successful flood protection by reservoirs where most of the storage is a great distance from the property most needing protection."

A case in point is Salina, Kans., which was flooded in 1951 and 1960 despite the big Kanapolis Dam. The complete Solomon River produces only 8.5 percent of the entire flow of the Kansas River Basin. How

can a dam 250 miles upstream in dry Kansas save Kansas City?

Large dams such as the proposed Glen Elder Dam built for irrigation purposes hole up water and do not control floods when actually needed. Spaced big dams cannot stop the flooding between dams. Only watershed treatment has proved successful in doing this. Watersheds replenish ground water while big dams only hold it in spaced spots. Watershed and soil conservation hold the water where it falls and stop siltation and erosion. Big dams become obsolete from siltation in 40 to 60 years. Even the irrigation channels become filled with silt.

The solution of the flood problem in that area is to build many small dams on draws, washes, and small tributaries, create ponds on individual farms, terrace the land. This would not only store water in the soil and reduce the sediment load to creeks flowing into the Solomon River but would retard the flow of water after heavy rainfalls.

A soil conservation plan would improve all of the land and benefit all of the taxpayers. These retention dams could be built at a fraction of the cost of the one big dam and would be much more advantageous not only to the farmers but all the people below.

If the city of Beloit needs an additional water reservoir, a \$59 million dam flooding 14,000 acres of good bottom land seems to be a pretty expensive water supply system for a town of about 3,500 population.

Or if it is recreation—fishing, swimming, boating, etc., that is desired, this can be accomplished by driving 30 to 35 miles over good Kansas roads to a dam reservoir in Jewell County which has already been constructed. Kirwin and Webster reservoirs are only 80 miles away which is no drive at all in Kansas.

Mr. Franzmathes concluded his testimony with the statement:

The purpose of my appearance today is to stress the fact that approximately 90 percent of the farmers owning land in the proposed irrigation district and the people who will be affected do not want this proposed Glen Elder Dam built and do not want their land included in any irrigation district.

Mr. President, I ask unanimous consent that I may yield briefly to the Senator from Nebraska [Mr. HRUSKA] without losing my right to the floor.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Wisconsin? The Chair hears none, and it is so ordered.

Mr. HRUSKA. Mr. President, I am very grateful to the Senator from Wisconsin for this courtesy.

THE DEFENSE OF INDIGENT PERSONS ACCUSED OF CRIME

Mr. HRUSKA. Mr. President, the current bulletin of the American Bar Association announced the appointment of a special committee to conduct a State-by-State study of the problem of indigent persons in criminal cases in the States. Associate subcommittees will also be set up in each State to study present practices and push for new programs where necessary.

The purpose of this nationwide project is to make sure that nowhere in the United States do indigent defendants in serious cases suffer from a violation of Learned Hand's great reminder of the bar's commandment: "Thou shalt not ration justice."

I commend the newly installed president of the American Bar Association, Sylvester C. Smith, Jr., for making the project the major effort of his administration. The program, of course, is confined to the State level; it does not plan to cover the Federal system. However, it is with deep gratification that I am able to state that the Committee on the Judiciary today has ordered reported S. 2900, providing for the representation of indigent defendants in criminal cases in the U.S. district courts. As the author of this legislation, I have worked closely with the Department of Justice, the Judicial Conference of the United States, and my colleagues on the committee to insure that an effective and practical system of public defenders will be installed in our Federal system. I do hope that the Senate will take prompt action on this much-needed measure.

On September 4, the Honorable EMANUEL CELLER inserted in the RECORD the speech of Attorney General Kennedy before the House of Delegates of the American Bar Association at its annual meeting last August in San Francisco. Mr. CELLER appropriately notes that the Attorney General recommended the Congress approve the establishment of a system providing competent and paid counsel for indigent defendants. It is a well-known fact that the gentleman from New York has been a sponsor of a companion bill in the House, H.R. 2696, which achieves this purpose. Having recently addressed the Judicial Conference of the Ninth Circuit in San Francisco this year, Representative CELLER's remarks on public defender legislation are notably worthy of consideration. I ask unanimous consent to insert at this point of my remarks the text of his speech together with the announcement from the September 15 news bulletin of the American Bar Association.

There being no objection, the speech and announcement were ordered to be printed in the RECORD, as follows:

PUBLIC DEFENDER LEGISLATION IN THE U.S.
HOUSE OF REPRESENTATIVES

(Address of Hon. EMANUEL CELLER before the Judicial Conference of the Ninth Judicial Circuit in San Francisco)

I need not quote the sixth amendment to this distinguished group. You and many others like you have been engaged for many years in trying to make the guarantee of this amendment truly meaningful. Largely due to these efforts there were at last count in the United States 77 public defender organizations, 14 private defender organizations, and 5 combining these two forms. Every State now furnishes some kind of legal assistance to indigent persons charged with crime, usually in the form of assigned counsel who are paid on a fee basis.

But the Federal Government has lagged behind the States. Although the indigent criminal defendant is provided legal assistance if he wants it, the lawyer who is called upon to supply this assistance does so without remuneration.

You will recall that it was in the *Johnson v. Zerbst* case in 1938 that the Supreme Court made it forever clear that a defendant is entitled to have the assistance of counsel for his defense or otherwise the Federal court has no authority to deprive him of his life or liberty. A year later, 1939, the first case of an indigent defendant on the

calendar in the Northern District of California was that of a man who, under the influence of intoxicants, stole some rotary locks from the Post Office Department and then attempted to sell them to a postal inspector. When he appeared before District Judge Michael J. Roche, the judge recognized him as an old offender who had often appeared before him in the State court. Judge Roche proceeded to instruct him concerning his right to counsel and explained that if he was without funds or friends or other means to provide counsel for his defense, the court would be happy to appoint an attorney to represent him. "Hell, no," the accused replied. "Judge, the last time I had one of them guys, I got 60 days for stealing me own overcoat."

I do not believe the situation is that bad, but nevertheless it is true that a large proportion of court-appointed attorneys have had relatively little experience in criminal trial practice. Although they may conscientiously try to carry out their responsibility toward their clients, they are not really equipped to provide effective counsel. As Justice Rutledge once commented, "Serious criminal cases are not proper subject matter for legal apprentices, however capable and hardworking."

The system has other grave shortcomings, but I need not enumerate them to an audience as knowledgeable on the subject as this one. The effect of these shortcomings has been commented upon only recently by Justice Brennan: "The victims of the limitation upon the State's obligation to provide counsel are the indigent—they are the helpless, the weak, the outnumbered in our society."

Since the 75th Congress I have introduced in each Congress thereafter legislation to establish a system which would guarantee truly adequate representation for indigent defendants in the Federal courts. The bill provided for the office of public defender for those Federal district courts with a sufficiently large volume of criminal cases, and for a method of compensating court-appointed attorneys in the smaller districts. In effect, it combined the best features of both the public defender and the assigned but compensated counsel systems.

But the bill lagged in committee. While it invariably had the support of the Attorney General, the Judicial Conference of the United States, and various legal aid societies, we heard little from individual members of the judiciary, the law schools, or the bar. We didn't really know what they thought of the proposal. The limited correspondence we received on the subject was about evenly pro and con and seemed to cancel out each other. The enactment of legislation, I can assure you, requires clear-cut support.

In the 86th Congress I decided that the bill had lain fallow long enough. It was time to find out whether it would meet the problem for which it was designed, what its defects might be, and the extent to which the legal profession favored it. To get this information I simply wrote to every Federal judge and to several hundred members of the American Bar Association and various law-school faculties. Several of you in the audience, I am sure, received my letter and its request for your views on my bill.

The report that grew out of this correspondence was printed by the committee in February 1960. It disclosed that out of nearly 500 judges, lawyers and law school deans and professors who responded to my letter, 89 percent approved the general approach embodied in the bill. A few preferred only a portion of the bill or an entirely different approach, and only 5 percent opposed any legislation at all on the subject.

The responses strongly refuted some of the arguments that I had heard vaguely advanced in opposition to the bill. One of these arguments was to the effect that an

independent bar is just as essential to the preservation of freedom as is an independent judiciary or the Bill of Rights in our Federal and State constitutions. But an attorney from one of our great Southern States commented, "I hope that the bill will pass by a large majority as a signal recognition by our Representatives that a real right to counsel is a precious right, one that was hard won, and one that is denied to many people in other parts of the world."

Another old argument that was somewhat similar charged that the public defender system would lead to "socialization" of the legal profession. Yet, in response to my letter, a former president of the American Bar Association known to all of you wrote that "lawyers, by supporting this bill are not unloading upon the public a personal obligation of the bar. This obligation is that of the public and the fact that the bar alone has borne it in the past is no reason to continue a system that is inadequate and unreasonable."

Supreme Court Justices and district judges who are perhaps the persons most familiar with the present system and its unhappy results, were firm in their condemnation of its deficiencies. Their letters contained references to it in such terms as "shocking," "hit and miss," "haphazard." The law school deans and professors sent me highly literate and thoughtful dissertations on the subject, indicating the present system and urging correction. But, perhaps, the most firm support for the constitutional right to an adequate defense came from the lawyers themselves, the individual members of the American Bar Association. They registered their approval most eloquently, buttressed by solid facts, and illustrated by incidents out of their own experience. One attorney even sent me a poem registering his support for the bill.

I also received a number of excellent suggestions for improving the bill. Some thought the judicial council of the circuit ought to exercise control over the appointment of public defenders. Some thought the public defenders should be equipped with investigators and technical experts where necessary to prepare a competent defense. Others thought that even where the court had a public defender office, the court should still have the authority to appoint a separate counsel or an additional counsel. Some thought that it should be made clear in the bill that the defendant was entitled to counsel as early as arraignment and preliminary examination. The judges were particularly concerned that the conditions under which an indigent defendant could appeal his conviction were spelled out more clearly.

The most common suggestion was that the salary of the public defender should be at a level nearly commensurate with that of the prosecuting attorney and that appointed counsel should receive \$50 a day instead of \$35. Also frequently appearing was the suggestion that there should be some statement as to the qualifications of attorneys who were to be appointed as public defenders. And judges and lawyers alike felt that the maximum annual amount allowed any single district for compensation and reimbursement of all appointed counsel should be raised from \$5,000 to \$10,000 annually.

All of these suggestions obviously had merit and I rewrote the bill to embrace them. I also included an authorization for the court to appoint, on a reimbursable basis, representatives of legal aid societies as defense counsel in individual cases. To put a ceiling on all expenditures for the defense of indigent defendants, I added a statement limiting annual appropriations for this purpose to an amount not exceeding the fines, penalties, and forfeitures collected by the courts during the most recently completed fiscal year. This, in 1960, amounted

By way of concluding remarks, the article then goes on to say:

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. President, I ask unanimous consent that the full text of the Time magazine article, be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Is there objection to the request by the Senator from Nebraska? The Chair hears none, and it is so ordered.

(See exhibit 2.)

EXHIBIT 1

ARE THERE POISONS IN YOUR FOOD?

A lot of people are running around the country trying to scare us about our food. To hear them talk, it's a wonder we aren't all dead—or at least sick.

Chemicals, insecticides, fluoridated water, foods enriched with proteins, vitamins, and minerals are poisoning us all, they say, and not so slowly, either.

The truth?

The poisons are not in the food or water but in the pens and tongues of those who, by peddling misinformation, half-truths, statements out of context and downright falsehoods, gain temporary notoriety, inflate their own egos, and make a profit, or hope to.

As a physician and student of nutrition for the last 25 years, let me state categorically that I do not know, nor have I ever heard, of one single case of ill health in man shown to be due to adding approved additional chemicals to foods. And I say additional chemicals because I wish to emphasize that all foods are chemicals. You and I, too, are chemicals—so much water, protein, fat, carbohydrates, vitamins, and minerals.

All chemicals are toxic at certain levels. For some, like copper and fluorine, it takes small amounts; for others, like water and sugar, it takes larger amounts for harm to occur. One cannot intelligently define toxicity without speaking of dosage. Neither can one define cancer-producing properties without speaking of dosage. And dosage implies not only amount but time: How much, over how long a period?

I am sure all farmers may wonder, in view of the cranberry boo-boo of a year ago, if they are producing impure food.

If you follow the label carefully, don't worry. There is no evidence that I know of that stilbestrol, amino triazole, or any other material approved for use in agriculture has ever been shown to be carcinogenic in man.

Fluoridation of water—in those communities with the courage to follow competent scientific advice rather than the hysterical shouting of an organized few—has reduced dental decay in youngsters by 50 percent to 60 percent—at a cost of only 10 cents per person a year. Water with the mineral nutrient

fluorine added, and food enriched with vitamins have as much purity as ever and certainly more wholesomeness.

Fortifying of food is one of the outstanding advances of public health of all times. Vitamin D added to milk and other foods has helped abolish rickets. Salt with iodine added has helped abolish simple goiter.

Don't let any faddist or organic gardener tell you there's a difference between the vitamin C in an orange and that made in a chemical factory. Nor is there any difference between natural and artificially fluoridated water, as some of the antifluoridationists claim.

Enrichment of foods will continue. Three of the great foods of mankind—wheat, rice, and corn—all low in the essential protein, lysine, can be fortified with lysine, which can now be produced cheaply. We can therefore take some of our mountains of wheat and fortify it with lysine for foreign and domestic use with the good feeling that we're providing food with a protein equivalent to milk, at a price that's practical—to say nothing of helping our own farmers.

Even in America, lysine-enriched wheat has a place: for millions of children who eat jelly sandwiches; for those gullible oldsters stung by the honey-and-vinegar fad.

A word to those who spurn "empty" calories of sugar and fat, and look with disdain on processed foods. Sugar and fat have always been important to a balanced diet. They add taste and zest to a meal. And processed foods are a tribute to the ingenuity of foods technologists.

Balance is what's important, not whether calories are "empty" or "full," or the food processed or raw. The best way to achieve balance is by variety—meats, fish, dairy products, fruits, cereals, vegetables, sugar, and fat.

We have the best and finest food in history—also the safest.

I think I speak for the medical and health profession when I say emphatically that our foods are good and wholesome, thanks to the many responsible companies that have the welfare of the people in mind as well as profits, and to the capable professional staff of the Food and Drug Administration.

EXHIBIT 2

PESTICIDES: THE PRICE FOR PROGRESS

"There was once a town in the heart of America where all life seemed to be in harmony with its surroundings." It had fertile farms, prosperous farmers, birds in the trees, fish in the streams, and flowers blooming gaily along the roadsides. Then a white powder fell from the sky like snow, and a fearful blight crept over the land. Cattle and sheep sickened; hens could not hatch their eggs. Strange illnesses appeared among the people; children were stricken at play and died within a few hours. The birds sang no more, the fish in the streams died, and the roadsides were lined with browned vegetation as if swept by fire.

Such is the picture drawn of the future in "Silent Spring," a new book by Rachel Carson, whose "The Sea Around Us" earned her a reputation not only as a competent marine biologist but as a graceful writer. Miss Carson's deadly white powder is not radioactive fallout, as many readers will at first assume. The villains in "Silent Spring" are chemical pesticides, against which Miss Carson has taken up her pen in alarm and anger, putting literary skill second to the task of frightening and arousing her readers. Published this week, the book has already raised a swirl of controversy about the danger to man and wildlife of those modern chemical compounds that have vastly increased agricultural production, banished some diseases, and kept at bay the most bothersome and harmful of insects and rodents.

As Miss Carson sees it, the accomplishments are not worth the price. She explains that no single town has suffered all the misfortunes from spraying and dusting that she describes; "yet every one of these disasters has actually happened somewhere, and many real communities have already suffered a substantial number of them. A grim specter has crept upon us, and this imagined tragedy may easily become a stark reality."

AS BAD AS THE BORGAS

The bulk of Miss Carson's book is support for this nightmare curtain raiser. In a chapter titled "Elxins of Death," she lists the synthetic insecticides, beginning with DDT, that came into use at the end of World War II. All of them are dangerous, she says without reservation. Already they are everywhere: in soil, rivers, ground water, even in the bodies of living animals and humans. "They occur in mother's milk," she says, using emotion-fanning words, "and probably in the tissues of the unborn child." And worse is to come. "This birth-to-death contact," she warns, "contributes to the progressive buildup of chemicals in our bodies and so to cumulative poisoning. We are in little better position than the guests of the Borgias."

There is no doubt about the impact of "Silent Spring," it is a real shocker. Many unwary readers will be firmly convinced that most of the United States—with its animals, plants, soil, water and people—is already laced with poison that will soon start taking a dreadful toll, and that the only hope is to stop using chemical pesticides and let the age-old "balance of nature" take care of obnoxious insects.

Scientists, physicians, and other technically informed people will also be shocked by "Silent Spring"—but for a different reason. They recognize Miss Carson's skill in building her frightening case; but they consider that case unfair, one-sided, and hysterically overemphatic. Many of the scary generalizations—and there are lots of them—are patently unsound. "It is not possible," says Miss Carson, "to add pesticides to water anywhere without threatening the purity of water everywhere." It takes only a moment of reflection to show that this is nonsense. Again she says: "Each insecticide is used for the simple reason that it is a deadly poison. It therefore poisons all life with which it comes in contact." Any housewife who has sprayed flies with a bug bomb and managed to survive without poisoning should spot at least part of the error in that statement.

But Author Carson's oversimplifications and downright errors only serve to highlight a question that has bothered many Americans: Just how dangerous are insecticides? Experts of the Department of Agriculture and the U.S. Public Health Service readily admit that some of them are extremely poisonous to humans as well as to insects and other pests. Parathion, an organic phosphate used against mites and other highly resistant insects, is so deadly that men who spray it must wear respirators and protective clothing.

A few related chemicals are almost as dangerous, but luckily they break down quickly into harmless substances and so leave no poisonous residue on fruits and vegetables or in the soil. Their disadvantage is that they can poison farmworkers who handle them carelessly. Miss Carson describes these very rare accidents and vets shock effect out of them, but they are comparable to accidents caused by careless handling of such violent industrial chemicals as sulfuric acid. The highly toxic phosphates are no menace to the general public, which seldom comes in contact with them.

DDT IN EVERY MEAL

The chlorinated hydrocarbons, on the other hand (including the familiar DDT),

are used in enormous quantities by almost everyone. Much of Miss Carson's case against spraying depends on her contention that DDT and its near chemical relatives are poisonous to humans, especially since they tend to accumulate in fatty tissues. Experts do not agree. A mere trace of DDT kills insects, but humans and other mammals can absorb large doses without damage. Dr. Wayland J. Hayes, Chief of the Toxicology Section of the U.S. Public Health Service in Atlanta says that every meal served in the United States contains a trace of DDT, but that this is nothing to worry about. He and his co-workers fed 200 times the normal amount to 51 convict volunteers. The insecticide accumulated in their bodies for about 1 year and then was excreted as fast as it arrived. The human guinea pigs felt no ill effects, and doctors pronounced them as healthy as a control group that got the same diet without extra DDT.

EXAGGERATED IMPORTANCE

While many insecticides are roughly as harmless as DDT, others are considerably more poisonous to humans. But in the opinion of respected experts of the U.S. Public Health Service, none have done appreciable damage to the U.S. public or are likely to do so. In heavily sprayed cotton-growing areas of the Mississippi Delta, says Assistant Surgeon General Dr. D. E. Price, health is as good as in sparingly sprayed neighboring areas. The same report comes from California, where insecticides are heavily sprayed on orchards and fields. Says Robert Z. Rolins, chief of the division of chemistry of the California Department of Agriculture: "Pesticides used properly present no threat to people, no matter how widespread their use becomes."

Humans generally protect their domestic animals from any ill effects; wildlife does not fare as well. Wild animals; birds, fish, and friendly insects are among the valued inhabitants of the United States and a good part of Miss Carson's book tells about the deadly effect of wholesale spraying on these pleasant and harmless creatures. In vivid language, she tells how DDT spraying to protect elm trees from Dutch elm disease nearly wiped out the bird populations of many midwestern cities, how fruitless attempts to exterminate the imported fire ant of the South by airplane dusting with dieldrin had dire effects on many kinds of wildlife.

Even scientist defenders of pesticides admit that these things have happened, but they maintain that their importance is exaggerated. According to the Entomological Society of America, only 0.28 percent of the 640 million acres of U.S. forest land is treated annually, and 613 million acres have never been treated. Insecticides are used mostly on crop lands, which have little wildlife, and on human residential areas to protect shade trees—the use that caused the most conspicuous damage to wildlife.

One result is the wholesale death of robins, which form a large part of suburban bird populations. The robins live on earthworms (that is why they are plentiful in the suburbs, where worm-bearing lawns abound), which concentrate insecticides without being damaged themselves. When the robins eat these insecticides-full worms, they die. The slaughter may continue for several years, until the DDT in the soil has disintegrated.

ELMS VERSUS ROBINS

Death chains of this sort are fortunately not common. A report published by the Wilson Ornithological Society says that most spraying does little damage to most birds, and still less to wild mammals. Fish are more sensitive; when certain insecticides are washed into streams or lakes, they are apt to kill everything that moves on fins. Perhaps the worst effect on birds is the reduction of edible insects, which are impor-

tant food for many species. But the damage is not complete; not even Miss Carson can point to a single sizable sprayed area where "no birds sing."

To answer insistent complaints, the National Academy of Sciences sponsored a careful study of pesticide damage to wildlife. Its conclusion; the damage, though always regrettable, is not disastrous, and the damaged wildlife population generally recovers in a few years. Sometimes it may be necessary, remarks the Academy, to choose between elms and robins, both of which have their partisans.

INSECT PARADISE

Lovers of wildlife often rhapsodize about the balance of nature that keeps all living creatures in harmony, but scientists realistically point out that the balance was upset thousands of years ago when man's invention of weapons made him the king of beasts. The balance has never recovered its equilibrium; man is the dominant species on his planet, and as his fields, pastures and cities spread across the land, lesser species are exterminated, pushed into refuge areas, or domesticated.

Some species, most of them insects, benefit increasingly from man's activities. Their attacks on his toothsome crops are as old as recorded history—the Bible often refers to plagues of locusts, cankerworms, lice, and flies—but their damage was only sporadically serious when population was small and scattered. Modern, large-scale agriculture offers a paradise for plant-eating insects. Crops are grown year after year in the same or nearby fields, helping insect populations to build up. Many of the worst pests are insect invaders from foreign countries that have left their natural enemies behind and so are as free as man himself from the check of nature's balance.

Agricultural scientists try hard to find ways to check insect pests by tricks of cultivation. They import the ancient enemies of invading foreign insects and foster the resident enemies of native pests. They are developing bacterial diseases to spread pestilence among insect populations. Because these tactics alone are seldom enough to protect the tender plants of modern, high-yield farms, the use of insecticides is economically necessary. Tests run by the Department of Agriculture show that failure to use pesticides would cost a major part of many crops; a 20-year study proved that cotton yields would be cut by 40 percent. Production of many kinds of fruit and vegetables would be impossible; unsprayed apple trees, for instance, no longer yield fruit that is sound enough to be marketed.¹ Potato fields swept by the Colorado beetle or late blight (the fungus that caused the great Irish potato famine of 1846) yield hardly any crop.

A QUANDARY OF SURPLUSES

Chemical insecticides are now a necessary part of modern U.S. agriculture, whose near-miraculous efficiency has turned the ancient tragedy of recurrent famine into the biologically happy problem of what to do with food surpluses. Says Entomologist George C. Decker, of the Illinois Agricultural Experiment Station: "If we in North America were to adopt a policy of 'Let nature take its course,' as some individuals thoughtlessly advocate, it is possible that these would-be experts would find disposing of the 200 million surplus human beings even more perplexing than the disposition of America's current corn, cotton, and wheat surpluses."

Many scientists sympathize with Miss Carson's love of wildlife, and even with her

¹ In the smaller orchards of prespraying days, fruit had a better chance to escape heavy insect damage, and since quality standards were lower, moderately damaged fruit often went to market.

mystical attachment to the balance of nature. But they fear that her emotional and inaccurate outburst in "Silent Spring" may do harm by alarming the nontechnical public, while doing no good for the things that she loves.

Mr. HRUSKA. Again I thank the Senator from Wisconsin for his courtesy.

Mr. PROXMIRE. I thank the Senator from Nebraska.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Mr. PROXMIRE. Mr. President, to sum up the point I am making, I think the map at the rear of the Chamber dramatizes the situation very convincingly.

The land which would be irrigated is shown on the map and on the extension of the map to the right. The farmers who own land which it is sought to take out of production are in the shaded areas. They own 85 percent of all the land which will be affected by the \$60 million project. Eighty-five percent of the land is owned by 90 percent of the farmers, who say they do not want the project. They oppose it.

The letters and petitions which I have put into the RECORD emphasize this point. I think they document, establish, and prove it. I challenge anybody to show that any of these petitions does not represent the viewpoint of the farmers involved.

I wish now to go into the general area. The reason why I have been taking so long is that, although I feel the project itself is quite wasteful, involving \$60 million which cannot be justified, the implications of the project are even much more serious. The implications run in terms not of tens of millions of dollars, but of billions of dollars.

CONGRESS NOT EXERCISING PROPER LEGISLATIVE OVERSIGHT

Congress is not exercising proper congressional oversight as result of the unfortunate authorization procedure for individual projects. Congress is neglecting its responsibility of legislative oversight in the important area of resource development. As a result of this lack of congressional oversight hundreds of millions of dollars—I could say billions of dollars—are being spent in a manner which is open to serious economic and financial criticism. The standards of economic justification and financial feasibility which govern the planning of water resource development projects in administrative agencies result in wasteful expenditures of unbelievable sums of money.

To those who argue that we cannot save Federal money, and that we can-

not reduce Federal spending because so much of the money goes into defense, I point out that not a nickel of the funds about which I have been speaking relates to defense.

This has happened as the result of congressional lack of concern over both the authorization of individual projects, and the establishment of legitimate standards of economic justification.

In view of the ever-growing problem of inadequate water supply which is confronting this country, and in view of the ever-growing demands for Federal subsidies and programs in all areas, it is imperative that the Congress as a whole reexamine old practices, and establish an adequate set of economic and financial standards in the water resource development area. Until this is done it is quite likely that cases such as the Glen Elder project shall continue to crop up as indications of the extent of the lack of good economic planning and analysis in the area of water resource development. And of concern to taxpayers all over the country, even those areas which have no water problems, the Glen Elder project stands as a mute reminder of the ease with which billions of dollars can be spent without proper evaluation and planning on the part of the Government. In view of the scarcity of both the Federal tax dollar and water, it is vital that Congress as a whole fulfill its responsibility in this area by giving the proper attention to these water resource development programs.

Mr. President, I would like to make one point which is a little to the side of my main discussion. Those who are not concerned about Federal spending, must at least be concerned by the scarcity of water. It is vital that Congress as a whole should fulfill its responsibility in that area by giving proper attention to our water resource development.

That statement is not only apropos of the general waste of our water facilities through approval of projects of the kind about which we have been speaking, but particularly of the Glen Elder project itself, which in my judgment constitutes a serious misuse of our scarce water facilities.

The Congress should reexamine the authorization process currently being used in the case of many projects involving in total billions of dollars, since the lack of congressional authorizations is just one aspect of the overall lack of intelligent planning which is so prevalent in this area today.

The fact is that a lack of authorization, which has been so dramatically shown here by taking a one-line authorization made 18 years ago and using that as a justification for an appropriation before a harassed Appropriations Committee, which has a great amount of pressure on it, is an example of the almost complete lack of congressional overseeing of such spending.

CONGRESS SHOULD NOT ABDICATE PREROGATIVES

Second, Congress should give more attention to the general economic criteria used in project planning and selection by the various administrative agencies in this field. Congress has already abdicated too much of its preroga-

tives by giving so much discretion to the administration in the planning and selection of these water resource projects. If the "experts" in the executive agencies are to have such discretion as a matter of necessity, it should be carefully circumscribed by broad guidelines laid down by Congress. If this were done it would be less likely that spot checks on the results of this administration planning and determination would reveal the same blatant lack of economic and financial sense which is revealed in the present instance of the Glen Elder project.

I must admit that I was deeply shocked and disappointed when I learned that such a marginal and questionable project as the Glen Elder unit was about to receive appropriations of \$60 million without the proper Senate legislative committee study at this time, the merits of such an expenditure for such a purpose. My disappointment turned to despair when closer inspection revealed that this project failed to pass even the minimal tests of economic justification as accepted by many objective analysts in this field. The lack of congressional oversight might be excused if there were indications that Federal expenditures on water resource development projects were planned by the executive branch to eliminate unjustifiable expenditures. But this is not the case. Even though Glen Elder is the only significant new start in the Bureau of Reclamation budget this year, it gives evidence of having all the economic defect weaknesses one could possibly attribute to such projects. If the one new start selected by the administration has so many questionable features, what must be the economic worth of all the other "potential" projects which can be started with the same lack of congressional study as the Glen Elder?

It is very clear to me that the economic merits of the Glen Elder project are at best very questionable. It is only by using obviously unrealistic standards, and by making the most favorable assumptions that a benefit-cost ratio barely in excess of 1 is achieved. The use of adequate standards and criteria would result in the benefit-cost ratio falling below 1. I am convinced that the Glen Elder project is economically unjustified and financially unsound. I believe any adequate review of this project by the appropriate legislative committees would reveal as much. I believe that if this project were evaluated by the standards which Congress should be requiring of the administrative agencies it would be found wanting and would be rejected.

I think any Senator who conscientiously examines this project would agree with me that the economic and financial merits of this project are marginal and dubious enough that they should be studied by Congress before they are accepted as warranting the expenditure of at least \$60 million, and probably much more if the usual relation between first estimates and final costs prevails. I believe that most of us can agree that it is in just such marginal cases that

congressional determination, and oversight has its most necessary role to play. To delegate the decision in such cases to the administration is to delegate a unwarranted amount of our responsibility to our Nation's taxpayers.

NEED FOR CONGRESS TO SET STANDARDS FOR AUTHORIZATIONS

What concerns me most deeply, Mr. President, is that billions of dollars are spent by the Federal Government on such projects when the intent of Congress in such matters is not clear. Until the opportunity to evaluate the substantive character of each individual project is regained, congressional intent will not be clear. Until Congress approves some explicit standard of economic justification and financial feasibility to be used by the administration, or until it formulates its own such standards, its intent will not be clear. If Congress is to fulfill its responsibilities, it is imperative that it cease to drift without any clear policy, let alone any desire or procedure to upset the big spending decisions which are being made in the offices of the administration every day; that is, the Corps of Engineers and Bureau of Reclamation. They should at least be aware that the decisions have been made.

DESCRIPTION OF CURRENT AUTHORIZATION SITUATION

Mr. President, this present unfortunate situation has been permitted to exist and develop as the result of congressional acceptance of old, blanket authorizations. By the Bureau of Reclamation's own testimony, the latest congressional authorization which provides the legal basis for the Glen Elder and other Missouri River Basin projects, is the 1944 and 1946 Flood Control Acts. Senate Documents 191 and 297 of the 78th Congress provide the only detailed account of the 326 projects provided for by the 1944 Flood Control Act. Since all of these projects are treated in this official document, one can well imagine that the amount of supporting data and statistics is insignificant. Essentially this document consists of lists of projects. Yet it is considered by the Bureau of Reclamation as being an adequate congressional mandate to select any of these many projects, and approach the Appropriations Committee in order to obtain the funds to go ahead on the project. This is what has just occurred in the case of the Glen Elder project.

I do not know the basis of the decision made in the Bureau of Reclamation to select the Glen Elder project out of the 270 remaining projects which allegedly have been authorized by the Congress in 1944 and 1946. They could just as well have selected any of the others. In fact there would have been better reasons to select some of the many others since they would have higher benefit-to-cost ratios. On those projects, each dollar of the taxpayer's money would have resulted in more cents of return than would this project we are considering here today.

There is every indication that the Senate Interior and Insular Affairs Committee did not and still does not know the basis of this selection either. Until it

appeared in the budget request they did not even know that it had been selected downtown in some administration office.

ECONOMIC MERITS OF PROJECT DUBIOUS AT BEST

When it did come to their attention, they immediately held hearings on the matter, in order to explore this peculiar situation. These hearings were not intended to constitute an authorization inquiry, and they cannot now be so considered. These hearings did review the current status of the projects listed in Senate Document 191, in terms of the Bureau's view of their authorization authority. Some of the questionable features of the Glen Elder project itself were discussed in general terms, but there was no comprehensive inquiry into the economic merits of the project nor any discussion of the economic criteria used by the Bureau in its selection of the project. While the economic merits for this particular project are dubious at best, the interpretation placed on the procedure necessary for congressional oversight by both the Bureau and the committee were even more disturbing.

The testimony of both the Under Secretary of the Interior and the Assistant Secretary of the Interior indicated that it was the understanding of the Department that they did not have to come back to the Interior Committee if the current nature of the project was similar to the description of the project in Senate Document 191 or Senate Document 247. They seemed to feel that only if there were major changes in the nature of the project would they be obligated to obtain a "reauthorization." This falls far short of recognizing or admitting the necessity of giving the proper legislative committee the opportunity to evaluate something which had been originally authorized almost 20 years ago. Their testimony also indicated that there were over a billion dollars' worth of projects referred to in the 1944 document which are essentially the same today. Thus, over a billion dollars' worth of spending could be initiated by the Department of the Interior without ever coming before the Interior Committee to explain the substantive aspects of the spending program.

It is true that the Department of the Interior would have to come before the Appropriations Committee before it could spend this billion dollars. But consideration by an already overworked Appropriations Committee does not and cannot accomplish the same purposes as consideration by the proper legislative committee.

OBJECTS TO BACK-DOOR SPENDING

Mr. President, for some time we have been hearing complaints—and they are well justified—against so-called back-door financing; that is, direct borrowing from the Treasury, without resort to the Appropriations Committees, without enabling the Appropriations Committees to have an opportunity to pass on the wisdom of the back-door financing.

The basic legislative committee authorizing the project may have competence in the particular field in which the activity is concerned, and may have held extensive hearings. Nevertheless,

a doublecheck by the Appropriations Committee, which has overall responsibility for congressional spending, should be required before the money is actually spent. There is considerable merit in that argument under most circumstances. It seems to me that to skip the authorization process entirely is wholly unjustified and is a very serious breach of good legislative procedure, because it is the legislative committee which has the specific competence regarding a particular expenditure. It is also the committee which, according to law, alone can set the guidelines and effective limits to policy and determine the basis on which the money is to be spent. It is also the committee which has this responsibility with respect to the Glen Elder project and literally billions of dollars' worth of other projects; and if the legislative committee is skipped, it has no opportunity to act, and as a result the enormously overworked and harassed Appropriations Committee has assumed full responsibility.

There are many substantive aspects of these spending programs which can only be decided by the proper legislative committee. For instance, recent authorizations bills coming out of the Interior Committee have provided that crops which are currently in surplus cannot be grown on the project. The assign-

ment of financial responsibility is another substantive matter that can only be handled in legislation of the sort provided for in the authorization process.

THE 1944 GUIDELINES INADEQUATE FOR 1962

The table I have before me indicates the full extent of the problem. It can be observed that Senate Document No. 191 listed \$982 million worth of projects. House Document No. 247 listed \$781 million worth of projects. In both of these cases we see that close to a billion dollars worth of projects—in 1944 dollars—was merely listed. There were only 200 pages in Senate Document No. 191 of the 78th Congress. That means that there was on the average \$5 million worth of spending outlined per page.

This is the only basis, the only guideline, and the only policy declaration available. Since the value of these projects which were listed in these 1944 documents now amounts to close to \$3 billion in current prices, these prewar studies now add up to \$15 million a page. This sketchy proposal makes a farce of adequate legislative oversight.

I ask unanimous consent that the table that I have marked "Table I" be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 1.—Original Doc. 191 estimates

	Number	S. Doc. 191	H. Doc. 247
Yellowstone River Basin.....		\$177,503,000	\$175,749,000
Upper Missouri.....		103,614,000	103,513,000
Missouri (Fort Peck to Sioux City).....		393,621,000	226,309,000
Minor western.....		35,021,200	35,971,200
Niobrara, Platte, Kansas.....		273,025,500	229,666,900
Total.....		982,864,700	781,200,100
Appendix E. Reauthorizations requested.....	20	185,037,000	Present cost estimate 771,212,000
Appendix F. Built without further congressional oversight.....	56	207,297,000	571,537,000
Appendix H. Originally in 191 but negated as the result of inconsistently authorized.....	40	39,542,000	
Appendix I. Originally in but found lacking in economic feasibility.....	69	32,610,000	
Appendix J. Current projects with high identifiability with S. Doc. 191.....	113	215,435,000	1,028,404,000
Appendix K. Varying degrees.....	31	107,291,000	431,626,000
Total.....	306	787,215,000	2,804,779,000

Mr. PROXMIRE. Mr. President, this is the table that I have been discussing. Returning to the same table we see that over half a billion dollars worth of these projects have already been constructed or are in the process of being constructed. The only authorization for these projects was the blanket authorization contained in the 1944 and 1946 Flood Control Acts.

Another \$771 million worth of projects are considered by the Department to be different enough, so that individual reauthorizations will be sought or have already been obtained; for example, S. 230 and S. 970, 87 to 1. However, most of this sum is for just one project, the Garrison project, which will cost \$569 million.

This leaves about \$1.5 billion worth of projects which can be initiated by the Department of the Interior without the proper and necessary oversight by the Senate Interior Committee. The Glen Elder project is included in this group. It is for this reason that it has

been considered by the Appropriations Committee, even though it has not been considered by the Interior Committee. It might be argued that the legislative committees cannot exercise proper review of every project, and should not be concerned with every project. But, even when one considers the smaller projects such as Glen Elder, there are usually only a few new starts each year. It is not unrealistic that the Interior Committee should be expected to review each of these new starts each year in the light of recent developments.

GLEN ELDER ONLY NEW START FOR FISCAL 1963

Once again I reiterate the fact that this is the only significant major new start in the administration's request this year. It is the only one that I am asking the Interior Committee to take a look at. That is not asking that they be loaded down with a great deal of additional work.

In any case, the changes in our economy since 1944 are reason enough why any new start which was originally de-

signed and authorized 20 years ago should be reconsidered today in the light of current economic conditions.

It is questionable if Congress should ever permit the approval of comprehensive plans to be considered as blanket authorizations for many individual projects even when the plan is valid and of recent origin. The highway program might be considered as a case where Congress approved a broad comprehensive program, and thereby provided the blanket authorization for billions of dollars of public expenditure without congressional oversight of the individual projects. The waste and scandals that have characterized the highway program stand as a reminder of the defects of such an approach even when the overall plan is valid and of recent origin. These difficulties are compounded when the original validity of the plan might be questioned. They are also compounded when some plan or program which may have originally had validity, loses that validity with the changes that time brings.

It is difficult to tell at this time, without extensive research, if the compre-

hensive plans described in Senate Documents 191 and 247 were valid and internally consistent at the time of their promulgation. It is possible that they may have been, and that the present inconsistencies and weaknesses are the product of 20 years of change. The important point is that this plan is now internally inconsistent and shot through with defects. It is interesting but really unnecessary to inquire why this is the case, once it is established that it is the case. For once that is done, the remedy is obvious: disregard this comprehensive plan until the Department has had the time to bring it up to date, and resubmit it to Congress for approval.

The Bureau of Reclamation does of course bring the information on individual projects up to date when the definite plan report on each project is compiled by the Bureau. It was at this point that the Bureau discovered that so many of the projects listed in Senate Document 247 were no longer feasible. The information placed before the authorizing committee in 1944 was not adequate for any administrative or legislative body to make an intelligent decision

about any individual project. Thus, authorizations made on the basis of such inadequate data in 1944 should not be considered as meaningful nearly 20 years later when there was no basis for them at the time they were originally decided. The 1944 process was no adequate substitute for the project by project evaluation that is so necessary if the Congress is to retain meaningful oversight in this important area. The proper legislative committee should not be asked to authorize a project until the Bureau itself has all the necessary data. That time does not occur until the Definite Plan Report is drawn up by the Bureau of Reclamation.

The inconsistencies of the comprehensive plan embodied in Senate Document 247 are apparent even to those without engineering or economic training.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table entitled "Units Flooded Out by Other Units Indicate That 1944 Plan Was Inconsistent at That Time."

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Units flooded out by other units indicates that 1944 plan was inconsistent at that time

Item	State	Stream	Cost in S. Dec. 191	Status
Whitetail Dam enlargement	Montana	Whitetail Creek	\$58,000	Constructed by private interests.
Dodson pumping unit	do	Milk River	62,000	Constructed as part of Milk River project.
Fort Belknap drainage unit	do	do	101,000	Single-purpose drainage project.
Birdhead unit	North Dakota	Missouri River	267,000	Eliminated by Garrison Reservoir.
Goodall unit	do	do	227,000	Do.
Seneschal unit	do	do	97,000	Do.
Fort Berthold unit	do	do	582,000	Do.
Fort Stevenson unit	do	do	523,000	Do.
Independence unit	do	do	268,000	Do.
Mannhaven unit	do	do	105,000	Do.
Old Agency Flats unit	do	do	467,000	Do.
Old Agency Flats No. 2	do	do	125,000	Do.
Sheel Creek unit	do	do	310,000	Do.
Running Water unit	South Dakota	do	86,000	Eliminated by Gavins Point Reservoir.
Wells unit	Kansas-Nebraska	Groundwater	1,140,300	Partly abandoned, partly absorbed by other units, and partly developed by others.
Billings drainage unit	Montana	Yellowstone	1,128,000	Single-purpose drainage project.
Custer drainage unit	Montana	Yellowstone	706,000	Do.
Chantler unit	South Dakota	Missouri	31,000	Eliminated by Oahe Reservoir.
Grosche unit	do	do	42,000	Eliminated by Fort Randall Reservoir.
Oahe (Verendrye) unit	do	do	98,000	Eliminated by Oahe Reservoir.
Bellwood unit	Nebraska	Loup	4,000,000	Plan inconsistent with State law.
Loup Valley unit	do	do	5,000,000	Do.
Schuyler unit	do	do	6,000,000	Do.
Osceola	do	do	6,000,000	Do.
Upper Musselshell unit	Montana	Musselshell River	Not stated	Built by Montana Water Board.
Deadman's Basin unit	do	do	Not stated	Do.
Total (40 items)			39,542,000	

Mr. PROXMIRE. Mr. President, the table indicates that 40 projects included in Senate Document No. 247 were eliminated as a result of other projects to be constructed. In short, the projects were flooded out. What happened was that the dam was built and the water was accumulated by the dam; and by making a lake behind the dam, other projects which might possibly have been proposed and built were flooded out. So it is perfectly apparent that in those cases the flooded-out projects should not be considered, even though the authorization had been made and may still be on the books.

This suggests that the plan behind the list of projects in this 1944 document was not internally consistent, and therefore not valid to begin with.

Table 1 also indicates that 69 other projects included in the original com-

prehensive plan were found unfeasible for either engineering or economic reasons. Yet these were presented to Congress in 1944 as feasible on all accounts, and economically viable until the year 1994 or 2044 depending on the assumed length of life for the project which was used in 1944. The discovery of these unworkable projects by the administration makes one wonder how many other similarly impractical projects there may be in the lists. We cannot be sure until the Congress explicitly adopts its own economic standards and criteria and uses them to review each new start with those standards in mind.

These 100 projects were estimated to cost about \$72 million in 1944. In current dollars the cost of these projects would amount to at least \$200 million. The amount of increase of current costs over Senate Document No. 191 costs

ranged from multiples of 2½ to 5. Since this the amount of money that was not spent, that the administration planners in 1944 would have spent unwisely, we should feel gratified. It is the much larger amount of waste and unfeasible projects that are still buried in this old, outdated, inconsistent plan which should concern Congress today. The fact that they were wrong in 1944 provides a very strong suggestion that they may be even more wrong in 1962. Not only are the economic circumstances much altered, but the very fact that economic conditions have changed argues that the criteria for economic justification and financial feasibility should also have changed in the past 20 years.

Mr. President, perhaps I should explain a little further the units which were flooded out and their cost, because the amount is substantial.

The stream is the Missouri River. In North Dakota the projects flooded out by the Garrison Dam were: Birdhead unit, Goodall, Seneschal, Fort Berthold, Fort Stevenson, Independence, Mannhaven, Old Agency Flats, Old Agency Flats No. 2, and Shell Creek; and in South Dakota, Running Water. Incidentally, the Running Water unit was eliminated by the Gavins Point Reservoir. Other large reservoirs in South Dakota were flooded out by the Missouri River project.

CONGRESS IS NEGLECTING ITS RESPONSIBILITY
TO ESTABLISH PROPER GENERAL CRITERIA

Before I begin a detailed inquiry into the economic justification and financial feasibility of the Glen Elder project, I want to summarize the unfortunate features of present congressional procedures for exercising our right and duty of legislative oversight in this matter. I feel that in this particular area Congress has abdicated its rights and responsibilities in the provision of the legislative oversight so necessary for the working of our system of government. Congress has permitted the executive branch to assume the initiative and the de facto control of the manner in which our scarce water resources are used.

I should say on the basis of this experience that the Congress does not know what is going on. Congress has put on blinders. Congress has closed its eyes. Congress has turned the control of this work over to the administration and the result has been, in this case, a project which cannot be justified on any reasonable basis.

As the result of just two pieces of legislation, Congress has provided the wherewithal to the executive branch to spend over \$2 billion without having to come to the proper legislative committee to review the assumptions and policy made 20 years ago. Because of the blanket and limitless authorizations provided by the Flood Control Acts of 1944 and 1946, the authorization process has become meaningless for a very significant portion of nondefense spending. The administration now has a backlog of \$1.5 billion worth of questionable projects it can initiate simply by placing them in the administrative budget at discreet intervals.

That is why I am speaking in the Senate today at length in objection to the Glen Elder project. This is only one instance. It involves only \$60 million. Yet that is a considerable sum of money. It may be only \$60 million in a bill in which \$1.5 billion is involved, but it is the first precedent. If this project is allowed to go through, it means the administration can slip others through without any real consideration of such projects by Congress.

If past practice is to be any guide, the overworked Appropriations Committee will place these projects before the whole Congress in judicious amounts, without ever being able to evaluate their fundamental worth. Over the course of one generation billions of dollars will be spent without the Appropriations Committee ever being able to require of the administration economically valid standards through provisions in the leg-

islation. Even if the money is appropriated it is frequently possible to minimize some of the costly adverse economic practices involved in water resource development programs through legislative limitations on the nature of crops grown, or on the nature of the repayments contracts entered into. But there are legislative actions beyond the purview of the Appropriations Committee.

Of course, with exacting and realistic economic and financial standards, there will always be water resource development projects that are worthy of both congressional authorization and appropriation.

But for those who are the friends of irrigation, the friends of developing water resources as extensively as possible in building our great West, I call attention to the fact that such projects as are good and justifiable are not likely to obtain scarce funds for such purposes so long as the prevailing manner of project selection prevails.

So long as the administration has an almost limitless list of projects, drawn up 20 years ago, from which it can select projects to present to the Appropriations Committee, it is not likely that the best projects will get first crack at the scarce funds available.

A marginal project such as the Glen Elder project should not be allotted funds before the necessary funds are allotted for the construction of projects with a benefit-cost ratio which is much higher. In fact, under such circumstances a project such as the Glen Elder project should not be allotted any funds at all. Project design and selection is, at best, a very complex process. It is difficult to really understand and appraise one potential project, let alone 350, as supposedly was done when the 1944 blanket authorization was made. If projects are evaluated one at a time, with explicit economic and financial criteria which everyone understands, it is less likely that big mistakes will be made in the use of the scarce quantities of water and tax dollars. As a first step, such blanket authorizations should be regarded as null and void by all concerned, so that all can engage in the more necessary and worthwhile task of project-by-project analysis, using the same acceptable standards.

CONGRESSIONAL CONSIDERATION OF ECONOMIC
CRITERIA

Mr. President, not only has necessary legislative oversight been frustrated by procedures which prevent the proper evaluation of each individual project, but Congress has also been lax in its provision of broad policy in this area. Congress as a whole has never approved or suggested the economic guidelines which can serve to guide the administration in its formulation and selection of projects. Many fundamental economic choices which must be made have relevance to all individual projects. These decisions could be made at the level where basic policy is determined; namely, in Congress.

First. Should 50 or 100 years be utilized as the reasonable expectation of useful life to be attributed to projects in

view of all the uncertainties of planning over long periods?

Second. Should the discount factor used to compare dollar amounts over different time periods be 2.5 percent, or 4 percent, 5 percent, or some other percentage? The choice is one which hinges on the broadest of policy considerations, and therefore should be made at the highest of policymaking levels. Any choice determined by Congress could then be used in the evaluation of all projects. Incidentally, this is an extremely important decision. It affects the answer to the question of whether the Government will spend billions of dollars, and also the answer to the question of where the funds will be spent.

Third. Should benefits be measured from a regional and local point of view, or should a national point of view only be used in determining the benefit-cost ratio of particular projects? Or should both be considered? The benefits would be different, of course, depending on the viewpoint taken.

Fourth. What is the maximum amount of subsidy that the Federal Government can be expected to give any particular group or region?

In the absence of congressional answers to these questions, it is as certain as it is that night follows the day that projects will be approved on the basis of political pressure, not on the basis of merit. Certainly anyone who has served in Washington for a few months, let alone 4 or 5 years, recognizes that political pressure is very potent on the executive branch, as well as on Congress. It is such pressure which at the present time determines where the money will be spent, even in the absence of effective authorization. Such pressure—not the merit of the projects—governs that determination, because Congress does not have any clear objective criteria to be applied. The benefit-cost ratio has been so badly used, and has been used so deceptively, that it is impossible to rely upon it. I think I can clearly demonstrate that in this case the alleged benefit-cost ratio is fully unrealistic. The actual benefit-cost ratio for the proposed project is less than 1. In other words, the benefits would be less than the cost involved.

These are all broad questions which require decision, and they should be of vital interest to a national legislative body which dispenses Federal tax dollars. Yet such broad questions related to the formulation and selection of projects have not been asked and answered by Congress as a whole. Various ad hoc congressional study groups have considered such questions, but no authoritative conclusions have resulted from the studies by these groups. The recommendations of any one committee cannot be said to reflect the intent of Congress. Reasonable men can differ over the answers to all of these questions. The variety of answers and practices that are prevalent in this area suggests that the range of opinion is wide. It is for this very reason that Congress should make these choices. Even though expert analysis is necessary at some points in the formulation

of these answers, the broad policy alternatives and implications are clear. It is these that should be considered by Congress. There is no question that some objective and explicit economic criteria for economic justification and financial feasibility are required in any rational process of formulating and selecting projects. Congress should have a central role in the formulation of such criteria, instead of abdicating its basic responsibility.

ECONOMIC MERITS OF THE GLEN ELDER PROJECT

Mr. President, I turn now from my consideration of the authorization considerations—which I believe are most important, because they go to the very heart of congressional responsibility; and, therefore, I have taken a long time to discuss them. But I did so deliberately, because I believe they must be considered by Congress. This is a responsibility of each of the 100 Members of the U.S. Senate.

At this time I wish to discuss the economic merits of the Glen Elder project itself.

The lack of proper continual legislative oversight would not be so unfortunate if spot checks by Congress indicated that the project selection procedures used by the administration, whatever they were, would result in the selection of economically valid projects. But this does seem to be the case. We need only look at the one new start proposed in the Bureau of Reclamation budget, to realize that something is wrong with the present manner of formulating and selecting projects in the Bureau of Reclamation. Let me say that I feel that, in general, the benefit-cost ratios provide a proper and objective method of evaluating the economic merits of proposed projects. If all the assumptions and information going into a benefit-cost ratio are valid, and if that ratio for a project is over one by an appreciable margin, I would be the first to say that project has economic validity. In the case of the Glen Elder project, the ratio is just barely over one. The overall project has a ratio of 1.18 to 1, and the irrigation portion of the project has benefit-cost ratio of 1.06. It is true that these ratios are over one, and therefore suggest that each dollar spent by the Government will result in at least a dollar of benefits.

This is on the basis that it is legitimate to assume that the life of the project will be 100 years. I shall proceed to discuss this decision and a number of other very unrealistic decisions. But 0.18 and 0.06 represent too small a margin of justification, particularly when one is aware of the significant amount of doubt about the actual manner in which the Bureau of Reclamation uses these benefit-cost ratios. Furthermore, I propose to show that the minute margins of feasibility provided by the present lax standards, are more than eliminated when the benefit-cost ratios are constructed in a more legitimate manner. It is for this reason that it can be objectively demonstrated that the Glen Elder project is not economically justified.

It is possible that Congress may still want to finance such marginal projects as the Glen Elder project. But if it does, it should do so with full awareness of the subsidy and waste involved, not under the illusion as provided by the bogus benefit-cost ratios, that this and similar projects can be defended on economic grounds.

INCREMENTS TO LAND IN FACE OF MOUNTING SURPLUSES

I suggest that the benefit-cost ratio of 1.06 is overstated, because the benefits are overstated. If we accept the Bureau of Reclamation's calculations about the size of the direct agricultural benefits, we must perforce reject any of its calculation of cost which neglects the additional cost to the Government resulting from the disposition of the surplus which is generated directly or indirectly from this project. If we decreased the value of the benefits in order to take account of the real value, not the price-supported value of the farm products, we would get a ratio of less than 1. Or we could allow for this

difficulty by increasing the cost estimate. If we increased the estimate of costs, in order to take account of the Government's cost in buying the additional surpluses generated, again the benefit-cost ratio would be reduced below 1.

In order to obtain a better view of this necessary recasting of the benefit-cost ratio, we must consider the nature of the agricultural development which is assumed to characterize these 21,000 acres after water is brought to the land. The information made available to Congress is vague and incomplete on this point. The information included in the justification used by the Appropriations Committee gives the following breakdown of present and future use of land in the area.

I ask unanimous consent that a table I have showing the breakdown for the various crops, present and future, be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Percentage of acres in irrigable area		Acres of irrigated land	Estimated value of output per acre	Entire region 7
	Present	Future			
Alfalfa, hay	6	17	3,570	\$97	\$68
Corn (silage)	17	17	3,500	128	
Oats	5				30
Sorghums:					
Silage	6				117
Grains	6	66	13,860	56	45
Wheat	60				65
Total	100	100	21,000		

Mr. PROXMIRE. Mr. President, the table shows that the percentage of land devoted to alfalfa has increased from 6 to 17 percent.

According to the estimate, oats are eliminated, sorghums for silage are eliminated, and wheat is eliminated. But sorghums for feed grains are increased from 6 to 66 percent.

This means a perfectly enormous increase in the production of feed grains, for the reduction of which we will spend over \$1 billion in the coming year, on the basis of any estimates. We are paying farmers \$1 billion to take out of production land devoted to feed grains, and now we are turning around and spending millions of dollars to bring more land into production of feed grains in Kansas, although the farmers of the land that will be brought into production are overwhelmingly against it. They do not want it. They are in opposition to it.

This information indicates that some of the new land is going to be used for farm products which are already in surplus. The alfalfa hay grown on 17 percent of the irrigated acres is the only farm product from the project which is not already in surplus.

WILL INCREASE SURPLUS PROBLEM

What is alfalfa used for? Some of the alfalfa is sold through the milk pail. It is fed to cows. Cows produce milk. If there is any farm product which is overwhelmingly in surplus today, and which is exceedingly expensive to the Govern-

ment—and I dislike to say this because I represent Wisconsin, which produces more milk than any other State, and which exports more milk than the next five States combined, and which is in serious trouble—it is the dairy product milk. We are vastly overproducing milk. This year it is estimated that we shall have to spend \$600 million in price support payments to purchase cheese, dried milk, and butter in order to maintain 75 percent of parity prices for farmers. Yet we are bringing additional alfalfa into production in the Glen Elder project, which undoubtedly will end up in the milk pail and increase the surplus. This is the only crop on the land which is not itself directly in surplus.

The corn silage and grain sorghums are already in surplus, and thus any increment here on the Glen Elder project would only add to that surplus. Frequently the argument is made that the total amount of surplus farm products which are grown on irrigated farms represents only a very small percentage of the total production of those surplus products. The last annual report of the Commissioner of the Bureau of Reclamation had a nice diagram indicating that the five different crops in surplus which are grown on irrigated lands represent only 2.16 percent of the total production of those crops all over the country. This sort of justification for further production of surplus crops on irrigated land misses the point com-

pletely. If the product is surplus, any addition whatsoever should be considered as being added to that surplus. If the new production is actually used, it only displaces other parts of that production which was previously used, but now goes into caves or bins as the result of the new increment to production which displaced it. Thus, all the increment to the production of surplus crops should be considered as surplus, and not 2.16 percent or some other small percentage representing the average relation. It is the marginal relation, not the average relation which is the relevant comparison in this matter.

This is a very important factor in evaluating the cost of the programs.

The definite plan report drawn up by the Bureau of Reclamation gives a little different picture of the pattern of agricultural production that will prevail in this area after the irrigation arrives on the scene.

I ask unanimous consent that a table indicating the before-and-after irrigation situation be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

	Values with project	Values without project	Difference due to project
Number of farms.....	150	90	60
Gross farm income (cash receipts):			
Cereal crops.....	\$900, 900	\$899, 429	\$1, 471
Hay and forage crops.....	\$419, 100	\$18, 826	\$400, 274
Livestock.....	\$3, 255, 750	\$492, 727	\$2, 763, 023
Less purchase.....	1, 557, 300	0	1, 557, 300
Net increase.....	1, 698, 450	492, 727	1, 205, 723

Mr. PROXMIRE. The table shows the values of the project and the number of farms brought into production. With the project, the table shows, the number of farms will be 150. Without the project there are 90. The difference due to the project will be 60.

Incidentally, I think one of the errors made in computing these figures is that many, many farms will be flooded out. The 14,000 acres which will be flooded out, and which lie behind the dam and so will be taken out of production, are ignored. They are forgotten. That land becomes valueless for farm production. But in determining the value of the project, the only value that is ascertained is not the value that would have been received from the farms which have been destroyed because water is on the land, and the farmers cannot produce, and the family farm is gone forever, but the value only from farms brought into production. Sixty new farms will be brought into production. At least that many will be taken out by flooding.

The gross farm income will be as follows:

For cereal crops, \$900,900. There was almost that much without the project. There is a difference of only \$1,571.

The cash receipts from hay and forage crops will be increased from \$18,826 to \$419,000, an increase of \$400,274.

The cash receipts from livestock will be greatly increased, from \$492,727 with-

out the project to \$3,255,750 with the project.

It is said that livestock prices are not supported. It is said that livestock production, with the exception of milk, is not supported; but I think anybody with even an elemental understanding of farming knows that, although there are no direct support prices of livestock products, there are indirectly. One of the first arithmetic ratios one learns is the corn-hog ratio. When the price of corn drops, the price of hogs drops. The connection is very clear.

So, by bringing more livestock into production, we are contributing to the basic feed-grain surplus. They will be brought into production because irrigation will enable farmers to produce more feed grains for the purpose of feeding their livestock, and the surplus problem will therefore be aggravated. The entire value of farm products brought into production will be an additional surplus burden.

The net increase in gross farm income as a result of the project will be \$1,205,723.

I submit that, on the basis of any realistic analysis of the farm program and what has happened to farm surpluses and where they go, any thoughtful analysis would indicate that over \$1.2 million is going to come out of the pockets of the taxpayers, who are going to be required to pay that much in order to take other surplus production off the market.

This table indicates that the largest part of the increase in gross income on the farms after irrigation is in the area of livestock production.

As this presentation indicates, there would be almost no increase in the amount of cereals produced on the project after irrigation is brought to the land. This is somewhat consistent with the previous presentation, which indicated that the land use before the irrigation represented about 77 percent of the land going to oats, silage sorghums, grain sorghums, and wheat. After the irrigation arrives, 66 percent of the land would be used for grain sorghums. The previous breakdown given in the justification indicated that a higher percentage of the land was going to be used for cereals before irrigation. Also, these were higher priced or valued cereals. On the other hand, the cereals grown after the irrigation arrives will be grown on more acres, and acres which will be more productive in view of the water. These several contrary forces thus may balance out so that the dollar value of the cereal production may be the same before and after the addition of the water. If this should be the case, these two different sources of information would be consistent with each other with regard to the picture presented about crop production.

DOLLAR VALUE OF CEREAL OUTPUT

While it is somewhat comforting to realize that there will be virtually no increase in the dollar value of output of cereals which are in surplus, many disturbing questions remain. This constancy in the dollar value of output of cereals is accomplished by a shift in the

type of cereals grown. Instead of the bulk of the land being used for wheat at an average value per acre of \$65, the bulk of the land would be used for feed grains, which have an average value of output per acre of \$54. The reason for this shift to crops of lower value is that the feed grains are used for the production of livestock, and thus the total income per acre on the whole farm would be higher than it would have been if the bulk of the farm had continued to be used for the production of wheat.

One might ask what the justification is for such a shift in the agricultural land use patterns in this area. As long as water is being brought to the land, why not shift to the production of crops which have very high value and which are not in surplus? The following table indicates some of the crop possibilities for farms in the Kansas area. Of course, if the money were spent to bring water to land in areas where there is absolutely no farm production whatsoever, one obvious crop would be citrus fruits, which are of high value and are not in surplus.

The table lists various vegetable crops, which would yield far more per acre in value than either wheat or feed grains. I ask unanimous consent that the table may be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Value of crops per acre on irrigated land in Colorado, Kansas, Nebraska, Wyoming

Crops:	
Cabbage.....	\$640
Cucumbers.....	1, 350
Cantaloups.....	612
Dry onions.....	825
Potatoes (early).....	636
Squash.....	800
Tomatoes.....	600

Mr. PROXMIRE. Mr. President, it should also be asked, what is the justification for obtaining larger production of livestock in this manner? In general, it is desirable that surplus feed grains be converted into protein food products and made available to the American people in order to improve their diets. But this can be done without spending millions of dollars in order to grow more feed grains on irrigated lands. Since there were 765 million bushels of sorghum grains last year in surplus, there should be some more economic way of obtaining more livestock production. The cost to the country of using more of the feed grains that are already in surplus is virtually zero. The only cost would be the transportation cost of getting the surplus feed grains from the caves where they are kept, or from the areas where they are in surplus each year. On the other hand, the cost of a bushel of feed grain grown on irrigated land is more than the market or support price on that feed grain.

A later section of my address will inquire into the precise cost of the subsidy going to the grower of feed grains as the result of the Federal expenditure on the irrigation project. It might be said at this point that the real cost of such feed grain is likely to be three to four times the market price per bushel.

Thus, the real cost of each bushel of feed grain obtained on irrigated land is compared to the almost zero cost of bushels of feed grain taken out of past or present surplus.

At this point, Mr. President, I wish to invite attention to a recent article published in the Wall Street Journal, which reads:

American farmers have signed to take 47.8 million acres out of grain production this year in compliance with the Kennedy administration's acreage-cutting programs.

Final Agriculture Department figures show growers signed to divert 15.1 million acres of wheatland into soil-building crops, and to divert 22.9 million acres of corn, 6.7 million acres of grain sorghums and 3.1 million acres of barley.

For reducing their acreages of these crops, farmers are eligible for Government price-support loans on their production, and for payments for putting the land in soil-building crops.

SURPLUS ALTERS BENEFIT-COST

On the basis of this discussion of the pattern of land use, it is possible to determine benefit-to-cost ratios which are more realistic and indicative of the real costs and benefits of the project. The one figure which is the crucial one in this cost and benefit redetermination is the cost of the CCC acquisition and storage of the feed grains which can be produced on the 13,000 acres of this project which would be devoted to the growing of feed grains. On the average, each acre in this area can produce 80 bushels of grain sorghums. Since the support price for grain sorghums is about \$9 a bushel, the total support value of the production of grain sorghums on the 13,000 acres of the Glen Elder project would be \$1 million per year.

The next question would be: How should this amount of \$1 million per year affect the benefit-cost ratio determined for this project? It could be treated as a subtraction from the benefits in the numerator, or it could be added to the costs in the denominator in the benefit-to-cost ratio. The benefit-to-cost ratio would then become either five-tenths or six-tenths.

In other words, Mr. President, if we view the situation realistically, and if we recognize that we live in a country where there is an abundance of food, where there is a farm program, where every feed-grain farmer of necessity either contributes to the surpluses or cooperates with the Government and receives some kind of higher benefit for so doing, then, we must realize that every single acre in Kansas, Wisconsin, North Dakota or anywhere else in the country which is brought into the production of feed grain will be affected by our farm program and affected by the cost of the farm program.

If we do not shut our eyes to this cost, if we recognize that we must face this cost, and if we realistically recognize that what is sought to be done will bring additional farmland into production at a time when we are already paying money to take farmland out of production, we must realize that the pending proposal really involves a benefit-to-cost ratio not of 1.18 but of 0.5. In other words, the benefits would be half as

great as the cost. To put it another way, the cost would be twice as great as the benefits which would come from the project.

CAN CONGRESS IGNORE COST?

Mr. President, does it make any sense for Members of Congress to ignore the costs which they themselves, by passing Federal farm programs, have imposed upon the taxpayers, when computing the additional costs which they are imposing when they propose these expensive dams, such as the one of which I am talking, which would cost \$60 million? The benefit-to-cost ratio is distorted and abused, is false and untrue, because it does not include the cost of the farm program.

I see no excuse whatever for not informing us of this fact. It may be that Senators can look at this project and say, "In spite of the additional cost, although it does not have a benefit-to-cost ratio higher than five-tenths or six-tenths, still we should proceed."

It may be that some Senators will say we should proceed with the project, even though 90 percent of the farmers who are affected, whose land is to be irrigated, who will get the only benefits, say that they do not want it and have petitioned against it.

At least we should know what is involved. I submit, with that kind of a benefit-to-cost ratio, we would not know what we were doing if we went ahead, deliberately closing our eyes, and misappropriated the taxpayers' money because we have misinformed ourselves.

The only way it would be possible to refute this position would be to say, "We ought to ignore the farm surplus."

I wish we could. I wish it would go away. Some people may argue that we may not have a surplus in four or five years. Certainly, on the basis of the experience we have had in this country, the conclusion would be more logical that we are more likely to have a bigger surplus 4 or 5 years from now or 8 or 10 years from now than we have now, because the efficiency of the farmer has been vastly increased. Productivity has enormously increased. The understand-

ing of soil chemistry and animal husbandry, the capacity to get more production out of each acre, the capacity to get more production out of each man-hour of work, and the capacity to get far more production for each dollar of investment have increased at a great rate.

INCREASED EFFICIENCY OF FARMERS

We are doing the job far more effectively in farming. The farmers are doing a much more efficient job. We know that there will be far more production in the future than in the past. We are only kidding ourselves if we do not take that into consideration in respect to providing for a project which would bring additional land into production.

PRESENT IRRIGATION PROJECTS IN RELATION TO FUTURE LAND REQUIREMENTS

It is sometimes argued that even though existing and proposed irrigation projects add to the production of surplus farm goods, the primary concern should be with the supply and demand of farm goods at some time in the future when the surplus problem has been solved. The point is made that as the population grows, the present or possible supply of farm output might become increasingly inadequate to the needs of much larger population.

However, this is not an adequate justification for irrigation projects at the present time. The future in this case cannot extend beyond 100 years because any dam and reservoir built at this time is likely to be all silted up by that time. Thus, if food production is going to be a problem in a hundred years or so, the irrigation projects should be installed at that time so that they will still be usable when the problem becomes severe.

We have estimates for the less distant future which might still be relevant for currently constructed irrigation projects. The following table indicates the probable shifts in major land use that would be called for by changes in needs.

I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—*Needed shifts in major land uses, 1959-80*

[In millions of acres]

Land use	Used in 1959	To be shifted to other use	To be added from other uses	Net change	Projected use in 1980
Cropland.....	458	68	17	-51	407
Grassland pasture and range.....	633	30	49	+19	652
Forest land ¹	746	32	27	-5	741
Recreational.....	62	0	23	+23	85
Farmsteads and farm roads.....	10	0	0	0	10
Special purpose uses.....	85	0	25	+25	110
Miscellaneous other land ²	277	11	0	-11	266
Total.....	2,271	141	141	0	2,271

¹ Commercial and noncommercial forest land exclusive of 27,000,000 acres of forest land limited primarily to recreation or wildlife use in 1959 and 34,000,000 acres in 1980. Combined forest land acreage is 773,000,000 acres in 1959 and 775 million acres in 1980 or a net overall gain of 2,000,000 acres.

² Urban, roads, military reservations, water supply reservoirs, etc.

Mr. PROXMIRE. The table shows the needed shifts in major land uses from 1959 to 1980, and gives us some idea of what will happen in the future in the area of our need for more cropland.

The table shows that in 1959, 458 million acres of cropland were in produc-

tion. We will not need that much. The acreage will be reduced by 51 million acres. It will be reduced to such an extent that in 1980 we shall need only 407 million acres of cropland.

Grassland pasture and range is likely to be increased, on the other hand, from

633 million acres to 652 million acres. This assumes we will have a substantial increase in population. Forest land will be reduced from 746 million acres to 741 million acres, a reduction of 5 million acres.

Recreational land use will be increased sharply from 62 million acres to 85 million acres.

Farmsteads and farm roads will remain about the same, at 10 million acres.

Special-purpose uses are expected to be increased from 85 million acres to 110 million acres, an increase of 25 million acres.

Miscellaneous other land uses, such as urban, roads, military reservations, water supply reservoirs, and so forth, are expected to decline by 11 million acres from 277 million acres to 266 million acres.

The computation suggests that in 1980 our total need for land will be approximately the same as in 1959, but that the use to which it is put will be radically different.

The important point here is that the nature and extent of shifts in land use is going to be determined by public policy to a greater extent than it has been in the past. While some land will be shifted out of cropland use, regardless of what the Government does, there is other land which would not be shifted unless the Government encouraged it. This is particularly the case with regard to the program which lies behind title 1 of the present farm bill. It is proposed that the Government spend money to convert much cropland to forest land, conservation reserves, and recreation use. If it appears that too much land is being withdrawn from crop use for reasons beyond the control of the Government, then all the Government should do is to withdraw less land from crop use under programs over which it does have some control. In this manner it is quite likely that the Government

could program the right amount of shifts in land use to insure that there will be the necessary 407 million acres of cropland in 1980, without the Government spending millions under irrigation programs to bring other land into cropland use.

That is why I would argue that, regardless of any contention, it is perfectly logical and appropriate to charge the increases which the irrigation project would work in the farm program—the increased cost to the taxpayer—to the cost of the irrigation project in computing its benefit-cost ratio.

BILL WARS WITH FARM PROGRAM

Mr. President, I should now like to put into the RECORD a series of tables showing how much the Federal Government is spending at the present time to go in exactly the reverse direction from that in which the bill would go. The bill would bring more crops into production. It would increase our production of farm products. The fact is that in 1956, 1957, and 1958, under the soil bank acreage reserve program, we spent a total of \$1,570 million to take 50 million acres out of production.

Mr. President, I ask unanimous consent that this table, showing the acreage reserve program for these 3 years, be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE A.—Acreage reserve program

Crop	Number of agreements	Acres in reserve	Payment obligated
1956 program:			
Wheat.....	110,974	5,670,441	\$44,739,889
Corn.....	314,761	5,315,578	179,664,064
Cotton.....	95,669	1,121,151	27,336,091
Rice.....	1,117	28,162	1,394,294
Peanuts.....	5,310	44,000	595,626
Tobacco.....	20,093	32,502	6,633,018
Subtotal.....	547,924	12,211,834	260,362,982

TABLE B.—1961 conservation reserve: Cumulative participation as to number of counties, farms, payees, reserve acres, and rental payment by States ¹

State	Counties having contracts	Farms having contracts	Estimated payees	Reserve acres	Rental obligation for 1961 ²		State	Counties having contracts	Farms having contracts	Estimated payees	Reserve acres	Rental obligation for 1961 ²	
					Total	Per acre						Total	Per acre
Alabama.....	67	8,291	8,502	407,249	\$5,052,321	\$12.41	Nevada.....	10	445	445	11,733	\$156,082	\$13.30
Arizona.....	3	66	82	7,777	104,754	13.47	New Hampshire.....	16	1,070	1,075	48,668	854,608	17.56
Arkansas.....	74	9,322	9,810	591,738	7,139,645	12.07	New Jersey.....	23	3,507	4,378	864,758	7,052,197	8.16
California.....	46	1,064	1,236	199,892	2,600,781	13.01	New Mexico.....	53	9,506	9,612	498,661	6,405,924	12.85
Colorado.....	50	4,727	5,821	1,292,292	9,892,116	7.65	New York.....	99	7,732	7,966	267,809	4,071,878	15.20
Connecticut.....	8	190	190	4,633	90,048	19.44	North Carolina.....	53	12,275	15,579	2,700,455	27,011,953	10.00
Delaware.....	3	281	301	18,300	304,303	16.63	Ohio.....	88	8,707	8,936	511,271	8,847,707	17.31
Florida.....	38	2,175	2,224	226,783	2,171,991	9.58	Oklahoma.....	77	16,875	19,735	1,489,419	15,957,059	10.71
Georgia.....	158	14,794	15,396	1,055,866	12,068,434	11.43	Oregon.....	33	2,238	2,449	231,153	3,273,854	14.16
Idaho.....	38	1,507	1,771	284,001	3,463,332	12.19	Pennsylvania.....	66	7,201	7,311	363,770	5,658,815	15.56
Illinois.....	102	6,058	6,676	434,148	7,495,694	17.27	Rhode Island.....	3	4	4	62	1,233	19.89
Indiana.....	92	7,837	8,189	489,160	9,004,054	18.41	South Carolina.....	46	11,752	12,094	634,124	8,086,056	12.75
Iowa.....	100	7,568	8,382	649,463	11,808,279	18.18	South Dakota.....	67	10,962	13,843	1,820,502	18,705,161	10.27
Kansas.....	105	12,622	15,678	1,447,166	17,191,634	11.88	Tennessee.....	94	7,878	8,218	493,670	7,407,695	15.01
Kentucky.....	104	5,467	5,692	385,997	6,280,174	16.27	Texas.....	239	33,434	40,164	3,649,682	38,819,581	10.64
Louisiana.....	49	3,285	3,527	217,840	2,955,337	13.57	Utah.....	22	978	1,111	236,041	2,039,389	8.64
Maine.....	16	2,048	2,666	121,687	1,398,413	11.49	Vermont.....	14	988	994	32,395	429,629	13.26
Maryland.....	23	1,472	1,561	83,406	1,414,067	16.95	Virginia.....	95	2,359	2,403	113,814	1,819,186	15.98
Massachusetts.....	12	111	111	2,777	43,858	15.79	Washington.....	38	2,184	2,675	333,881	4,253,428	12.74
Michigan.....	83	11,470	11,673	703,597	9,282,642	13.19	West Virginia.....	51	1,778	1,816	57,780	875,915	15.16
Minnesota.....	88	19,991	21,184	1,894,228	21,396,945	11.30	Wisconsin.....	71	12,229	12,471	738,524	10,216,860	13.83
Mississippi.....	82	5,654	5,735	319,772	4,349,634	13.60	Wyoming.....	16	555	625	124,695	1,087,297	8.72
Missouri.....	114	10,890	11,567	825,457	11,683,271	14.15							
Montana.....	51	2,034	2,329	629,162	5,665,312	9.00							
Nebraska.....	92	7,362	8,740	874,437	10,480,851	11.99	United States.....	2,872	301,543	332,947	23,389,695	336,369,397	11.85

¹ All data are reported as of July 15, 1961, and are cumulative for all contracts in force at that time.

² Net disbursements are somewhat less than obligations due to viola-

tions, penalties, and terminations. Due to controversies surrounding such cases some disbursements and penalty refunds are not resolved for several years.

Crop	Number of agreements	Acres in reserve	Payment obligated
1957 program:			
Wheat.....	233,004	12,783,192	\$230,851,526
Corn.....	323,686	5,233,478	196,417,873
Cotton.....	301,053	3,015,630	153,296,122
Rice.....	4,825	242,017	15,466,625
Tobacco.....	51,828	79,701	17,806,424
Subtotal.....	914,396	21,354,018	613,838,570
1958 program:			
Wheat.....	174,451	5,289,477	105,111,500
Corn.....	355,789	6,658,093	282,255,190
Cotton.....	444,618	4,925,957	270,207,669
Rice.....	5,580	174,198	11,941,731
Tobacco.....	68,832	110,618	26,516,210
Subtotal.....	1,049,270	17,158,343	696,032,300
Total.....	12,511,590	250,724,195	1,570,233,852

¹ Annual agreements.

² Acre-years.

ASCS, Soil Bank Division, June 13, 1961.

Mr. PROXMIRE. In the year 1961 alone the soil bank conservation reserve program cost \$336 million, or \$11.85 an acre. I emphasize the fact that this is the conservation reserve. It has cost that much to take 28 million acres out of production. In Kansas, where we are spending \$60 million, of which \$17 million is for irrigation, we spent, in 1961, \$17 million to take 1,400,000 acres out of production. That is in Kansas alone. Last year, in 1961, we spent as much as the entire cost of the proposed project to take land out of production. The only purpose I can think of for an irrigation project is to bring more land into production or to improve the production. If there is any other purpose, I would like to hear someone tell me about it.

I ask unanimous consent that the table I have referred to be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Mr. PROXMIRE. I also ask unanimous consent to have printed in the RECORD a chart showing the rate at which

land will be coming out of the conservation reserve program between now and 1970.

There being no objection, the chart was ordered to be printed in the RECORD, as follows:

TABLE C.—1956-61 conservation reserve program—Estimated reserve acres for which contracts expire each year, by States ¹

State	Acres to be released as of Dec. 31										Total acres in reserve	Total number of contracts
	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970		
Northeast area.....	91,491	49,882	421,945	244,795	4,405	18,500	31,431	236,067	223,942	27,274	1,349,732	27,917
Connecticut.....	118	36	2,522	717	92	17	108	498	451	3	4,562	190
Delaware.....	502	122	8,418	2,887	91	336	231	5,149	521	-----	18,257	279
Maine.....	12,817	9,355	15,141	15,943	198	3,113	9,075	23,868	21,427	10,416	121,353	2,632
Maryland.....	8,846	3,490	39,669	13,013	266	1,140	1,498	10,207	4,853	-----	82,982	1,467
Massachusetts.....	111	38	1,081	361	38	31	53	376	588	40	2,717	109
New Hampshire.....	67	63	1,469	400	-----	147	312	4,390	4,330	314	11,492	437
New Jersey.....	2,962	1,727	25,130	14,066	33	341	91	1,991	1,913	-----	48,254	1,061
New York.....	36,009	21,160	127,155	76,760	1,260	7,384	10,417	96,738	107,656	11,938	496,477	9,472
Pennsylvania.....	20,097	11,009	138,407	82,858	677	2,385	3,656	47,632	53,609	323	360,653	7,163
Rhode Island.....	19	-----	10	25	-----	-----	-----	8	-----	-----	62	4
Vermont.....	87	121	3,651	2,789	198	663	1,920	11,651	7,107	4,214	32,401	987
Virginia.....	8,422	1,806	38,831	22,891	1,187	2,811	1,933	21,671	13,650	-----	113,202	2,355
West Virginia.....	1,434	955	20,461	12,085	365	132	2,137	11,888	7,837	26	57,320	1,761
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Southeast area.....	150,653	114,081	734,749	412,730	6,690	298,727	537,763	1,155,973	780,126	18,976	4,210,477	70,745
Alabama.....	12,060	5,515	64,141	33,959	387	20,624	50,206	122,783	88,210	-----	406,885	8,279
Arkansas.....	33,806	28,042	171,382	76,519	1,302	12,070	39,304	150,452	76,806	-----	589,683	9,289
Florida.....	8,703	3,470	10,772	15,985	253	50,409	28,241	58,418	49,821	-----	226,072	2,162
Georgia.....	23,211	16,852	83,374	60,652	1,375	109,401	223,926	315,665	220,721	301	1,055,478	14,730
Louisiana.....	4,707	2,822	46,506	22,092	318	13,875	41,757	59,703	25,509	-----	217,289	3,275
Mississippi.....	30,488	26,396	108,577	26,659	1,056	17,568	21,184	61,376	24,706	1,528	319,538	5,652
North Carolina.....	5,488	4,931	61,481	53,362	273	20,453	24,001	67,478	29,804	-----	267,271	7,728
South Carolina.....	12,676	6,004	46,360	48,383	445	32,123	87,080	196,450	187,581	17,147	634,249	11,754
Tennessee.....	19,514	20,049	142,156	75,119	1,290	13,204	22,064	123,648	76,968	-----	494,012	7,876
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Midwest area.....	296,132	139,365	2,079,972	1,027,477	11,660	49,628	33,862	678,863	402,519	2,909	4,722,387	70,035
Illinois.....	13,017	4,414	270,298	85,750	546	2,454	986	43,890	11,896	412	433,663	6,048
Indiana.....	22,831	6,065	257,796	118,357	1,859	12,458	723	53,186	24,607	69	456,951	7,800
Iowa.....	60,508	18,669	352,304	159,598	2,275	1,607	1,244	34,263	16,765	158	647,391	7,541
Kentucky.....	13,901	7,212	164,837	66,532	1,071	1,858	3,196	95,862	31,445	-----	385,914	5,467
Michigan.....	52,948	23,358	254,267	150,722	1,864	17,249	10,067	93,141	96,613	392	700,621	11,444
Missouri.....	50,766	50,552	265,884	150,577	1,987	6,703	6,167	209,207	83,043	276	825,162	10,882
Ohio.....	26,051	9,003	237,407	137,567	905	1,668	1,012	48,190	47,793	107	509,603	8,690
Wisconsin.....	56,110	20,092	277,179	158,374	1,153	16,731	10,467	101,124	90,357	1,495	733,082	12,163
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Northwest area.....	774,404	521,399	2,144,852	1,184,354	37,182	554,122	409,886	1,955,700	1,289,441	9,571	8,880,911	59,067
Idaho.....	20,004	8,545	85,696	40,033	1,848	8,844	2,343	78,614	34,862	-----	280,789	1,502
Minnesota.....	225,629	199,603	506,303	153,502	10,727	231,892	174,140	285,848	93,935	9,509	1,891,088	19,972
Montana.....	31,496	16,342	140,702	59,405	2,734	17,144	16,958	221,076	122,650	46	628,553	2,031
Nebraska.....	59,614	25,864	323,621	130,566	2,307	13,559	10,919	221,955	84,692	-----	873,097	7,359
North Dakota.....	204,060	138,980	495,601	398,803	8,407	200,843	137,886	557,151	558,020	-----	2,699,751	12,280
Oregon.....	24,457	14,253	75,804	33,015	1,314	11,749	8,427	37,933	23,021	16	229,989	2,229
South Dakota.....	182,319	95,485	380,893	315,365	5,646	61,239	43,600	417,962	317,286	-----	1,819,795	10,964
Washington.....	11,019	18,822	106,270	44,500	4,199	3,168	14,082	91,629	40,081	-----	333,770	2,181
Wyoming.....	15,806	3,505	29,962	9,165	-----	5,684	1,531	43,532	14,894	-----	124,079	549
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Southwest area.....	1,191,937	489,006	1,433,613	551,771	517,377	1,350,667	678,564	2,093,461	873,992	-----	9,180,388	73,241
Arizona.....	4,846	476	400	-----	-----	1,552	385	-----	-----	-----	7,659	65
California.....	19,749	9,814	84,529	36,134	2,927	2,552	3,103	30,680	11,336	-----	200,824	1,071
Colorado.....	104,019	43,979	123,634	26,643	3,192	192,088	95,025	537,812	111,554	-----	1,287,946	4,733
Kansas.....	80,665	86,954	301,484	102,539	12,990	93,776	113,139	397,763	257,912	-----	1,447,222	12,624
Nevada.....	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
New Mexico.....	88,425	15,355	13,657	568	250,642	310,756	111,819	72,092	415	-----	863,729	3,496
Oklahoma.....	167,519	104,159	296,861	141,207	6,166	153,375	98,242	308,558	213,048	-----	1,489,135	16,841
Texas.....	706,668	220,615	571,820	232,023	240,531	549,013	242,689	628,916	255,594	-----	3,647,869	33,431
Utah.....	20,046	7,654	41,228	12,657	929	47,555	14,162	67,640	24,133	-----	236,004	980
-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
United States.....	2,504,617	1,313,733	6,815,131	3,421,127	577,323	2,271,644	1,691,506	6,120,064	3,570,020	58,730	28,343,895	301,005

¹ Report from Data Processing Center of contracts on record as of Dec. 1, 1961.

ASCS, Soil Bank Division, Dec. 29, 1961.

Mr. PROXMIRE. Mr. President, I call attention to the fact that the acres to be released into production in the coming years are perfectly enormous. In 1963 they will be 6,815,131; in 1964, 3,421,127; and so on.

In Kansas, in 1963, 301,484 additional acres will be available for production, although we shall pay a great deal to keep acres out of production; and we shall pay a great deal more than that in the future because of the enormous cost of the farm bill that we passed recently.

With the pending bill we would bring 21,000 additional acres into production, to aggravate the cost by that much more.

DEPARTMENT OF AGRICULTURE POLL

Many people argue that, after all, when the contracts are terminated, the

farmers will generally be out of production. I have before me the results of a poll taken by the United States Department of Agriculture of farmers regarding the land coming out of reserve in 1961. They were asked the question:

When your reserve contract expires this year, 1961, what will you do with the land previously in reserve in the absence of a conservation program for which you are eligible?

The conservation program costs money. We will have to pay a great deal more if we expect to continue to keep land out of production. The answer is that more than 50 percent of this land will be put back into acreage, and that a little less than 50 percent will be put into noncrop use. Of course, some of

this will be used for grazing, and much of it will result in the production of farm products of one kind or another.

What this total shows convinces me that the future cost of the crop land production will probably continue to be high, and higher than in the past.

I ask unanimous consent that a table I have marked "D" be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE D.—Poll taken by USDA of farmers re land coming out of reserve in 1961

Question. When your reserve contract expires this year 1961, what will you do with the land previously in reserve in the absence of a conservation program for which you are eligible?

[Percent]		
	Crop use	Noncrop use
Northeast.....	49	51
Corn Belt.....	53	47
Lake region.....	59	41
Southeast, South Central.....	55	45
Northern plains.....	52	48
Mountain Pacific.....	51	49
Southern plains.....	56	44
National average.....	53.57	46.42

Source: USDA.

Mr. PROXMIRE. Mr. President, the 1961 feed grain program was a good program. It was one of the finest programs we ever had. It cut the surpluses. It was an efficient program. It increased

farm income. It was a great shame that it was modified as it was in conference. This program cost \$781 million. It kept several million acres of land out of production.

In Kansas alone, the cost for grain and grain sorghums was \$55 million. In Kansas alone, in 1961, 2½ million acres were diverted. Now we are being asked in this provision of the appropriation bill, which I would eliminate, at a cost of \$60 million, to bring more land into production in Kansas, even though we paid for the feed grain program in Kansas alone in 1961 \$55 million to take land out of production.

If that is not Alice in Wonderland eco-

nomics, I do not know what it is. It is shameful. It is ridiculous. I cannot understand how any taxpayer can approve of anything like that—spending money to pay farmers to take land out of production and then turning around and contributing more money to bring more land into production in exactly the same State.

I ask unanimous consent to have printed in the RECORD at their point table 4. It shows the number of acres diverted and the cost of diversion under the 1961 feed-grain program.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

1961 FEED GRAIN PROGRAM

TABLE 4.—Acres of corn and grain sorghums diverted for payment and value of payments earned ¹

State	Corn		Grain sorghums		Total corn and grain sorghums		State	Corn		Grain sorghums		Total corn and grain sorghums	
	Final acres diverted	Value of payments	Final acres diverted	Value of payments	Final acres diverted	Value of payments		Final acres diverted	Value of payments	Final acres diverted	Value of payments	Final acres diverted	Value of payments
	(1)	(2)	(3)	(4)	(5)	(6)		(1)	(2)	(3)	(4)	(5)	(6)
	Thousand acres	Thousand dollars	Thousand acres	Thousand dollars	Thousand acres	Thousand dollars		Thousand acres	Thousand dollars	Thousand acres	Thousand dollars	Thousand acres	Thousand dollars
Maine.....	0.3	14.4			0.3	14.4	North Carolina.....	492.9	15,661.6	26.3	578.5	519.2	16,240.1
New Hampshire.....							South Carolina.....	194.9	4,127.9	5.0	75.4	199.9	4,203.3
Vermont.....	.9	38.0			.9	38.0	Georgia.....	302.1	6,407.5	8.7	171.8	310.8	6,579.3
Massachusetts.....	.2	7.3			.2	7.3	Florida.....	115.9	2,433.8	1.5	34.5	117.4	2,468.3
Rhode Island.....	(2)	.9			(2)	.9	Kentucky.....	560.6	17,542.9	6.6	183.3	567.2	17,726.2
Connecticut.....	1.0	48.0			1.0	48.0	Tennessee.....	432.2	11,517.2	16.4	352.6	448.6	11,869.8
New York.....	172.5	6,644.3			172.5	6,644.3	Alabama.....	407.2	7,547.6	6.5	100.3	413.7	7,647.9
New Jersey.....	37.4	1,898.9			37.4	1,898.9	Mississippi.....	220.5	5,019.9	10.9	266.7	231.4	5,286.6
Pennsylvania.....	158.8	6,774.6	0.8	20.6	159.6	6,795.2	Arkansas.....	75.5	1,937.9	11.7	272.3	87.2	2,210.2
Ohio.....	995.2	42,653.3	.2	6.8	995.4	42,660.1	Louisiana.....	72.3	2,105.1	2.9	67.4	75.2	2,172.5
Indiana.....	1,321.2	54,627.3	5.3	157.6	1,326.5	54,784.9	Oklahoma.....	59.4	1,525.4	445.5	7,357.0	504.9	8,885.4
Illinois.....	2,097.2	87,607.8	7.9	234.6	2,105.1	87,842.4	Texas.....	320.0	6,171.9	2,292.5	53,443.9	2,612.5	59,615.8
Michigan.....	531.5	18,293.5	(2)	.7	531.5	18,294.2	Montana.....	39.9	591.6			39.9	591.6
Wisconsin.....	549.1	23,381.1	(2)	.2	549.1	23,381.3	Idaho.....	6.7	334.4	(2)	2.2	6.7	336.6
Minnesota.....	1,518.5	46,239.1	.8	16.0	1,519.3	46,255.1	Wyoming.....	11.8	369.0	.5	9.1	12.3	378.1
Iowa.....	2,760.2	106,261.3	24.2	823.5	2,784.4	107,084.8	Colorado.....	106.3	3,311.6	225.9	3,023.0	332.2	6,334.6
Missouri.....	1,722.2	63,049.8	208.3	6,275.0	1,930.5	69,324.8	New Mexico.....	5.4	205.5	100.7	2,424.7	106.1	2,630.2
North Dakota.....	406.4	5,515.5	.2	2.2	406.6	5,517.7	Arizona.....	1.7	61.6	54.7	2,128.8	56.4	2,190.4
South Dakota.....	818.5	14,494.2	69.3	1,237.3	887.8	15,731.5	Utah.....	7.2	251.3	.2	5.0	7.4	256.3
Nebraska.....	1,605.2	48,501.7	707.4	18,292.2	2,312.6	66,793.9	Nevada.....	.8	24.0	(2)	.8	.8	24.8
Kansas.....	671.4	19,552.4	1,786.2	35,725.5	2,457.6	55,277.9	Washington.....	16.8	965.6	2.3	83.5	19.1	1,049.1
Delaware.....	36.9	1,512.7	(2)	.2	36.9	1,512.9	Oregon.....	15.2	819.8	.1	3.1	15.3	822.9
Maryland.....	77.4	3,129.0	(2)	2.2	77.4	3,131.2	California.....	32.9	1,469.6	69.2	3,062.0	102.1	4,531.6
Virginia.....	125.5	4,333.3	1.8	43.0	127.3	4,376.3							
West Virginia.....	8.9	406.6	(2)	.3	8.9	406.9	United States.....	19,114.6	645,380.7	6,100.5	136,483.8	25,215.1	781,864.5

¹ Based on data reported to Grain Division by ASCS State offices.² Less than 50 acres.

Mr. PROXMIRE. Mr. President, I have before me a table entitled "The 1962 Feed Grain Program: Acreage Diverted From Crop Use and Cost to Government in Achieving this Diversion." It shows signups under the diversion program—and the final compliance check now in progress may reduce the figures—totaling 30.8 million acres, of

grain, grain sorghum, and barley, at a cost of \$1.3 billion.

We do not have a breakdown as to Kansas, but, judging by the experience which we have had in the past, a substantial percentage of this will be in Kansas.

We are paying literally more than a billion dollars to reduce farm produc-

tion, and it is proposed to pay tens of millions of dollars to bring in more land.

I ask unanimous consent that the table be printed in the RECORD at this point in my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The 1962 feed grain program; acreage diverted from crop use and costs to Government in achieving this diversion

A. Signups under the diversion programs (a final compliance check now in progress may reduce figures on aggregate acreage actually diverted).

	Million acres
Corn.....	21
Sorghum Grains.....	6.1
Barley.....	2.7
Total.....	29.8

B. Costs incurred by U.S. Government directly attributable to diversion for the year 1962 of the above acreage.

	[In millions of dollars]
Diversion payments.....	\$904
Price supports, carrying charges, Public Law 480 expenses, and all other.....	431
Total.....	1,335

Mr. PROXMIRE. I also ask unanimous consent to have a similar table with respect to the wheat program printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

The 1962 wheat program: Acreage diverted from crop use and costs to Government in achieving this diversion

A. Signups under the diversion program (a final compliance check now in progress may reduce figures on aggregate acreage actually diverted).

	Million acres
Wheat.....	13

B. Costs incurred by U.S. Government directly attributable to diversion for the year 1962 of the above acreage.

	[In millions of dollars]
Diversion payments.....	\$328
Public Law 480 (world market price).....	582
Export subsidies.....	434
Carrying charges.....	266
Less net receipts from support program.....	-64
Total.....	1,546

HIDDEN COST IGNORED

Mr. PROXMIRE. Mr. President, the inclusion of additional cost to the Government resulting from the interest-free nature of the irrigation portion of the project into the benefit-cost ratio has generally been ignored in evaluating the cost of the program. It should not be ignored, because the cost is enormous.

In the Glen Elder case, the cost exceeds the cost of the project. It will be spread over a 100-year period. When that is done, the interest cost will greatly exceed the cost of the construction itself. The fact is that the costs which constitute the denominator in the benefit-cost ratio are "the Federal costs necessary to develop and to operate the project." This includes the cost of construction, the annual operating and maintenance expenditures by the Federal Government, interest during construction, and other relatively minor items. Notable by their absence are the additional interest costs to the Government which result from the interest-free nature of the portion of the costs allocated to the irrigators. In the case of the Glen Elder project, \$17 million has been allocated to the irrigation part of the project. While all of this sum will have to be repaid to the Government by either the irrigators or the power users

in the Missouri River Valley, no interest is charged on this by the Federal Government. While it is still outstanding it is as much a cost as the concrete that went into the irrigation canals. The Federal Government has to borrow money in order to carry this \$17 million until it is finally repaid by someone. As long as that \$17 million is outstanding the Federal Government has to pay interest on it to whoever it is that owns the Government debt. But the irrigators do not compensate the Government for this additional necessary cash outlay. The lack of reimbursement constitutes a subsidy from the taxpayers to the irrigators. But more importantly, the interest on that \$17 million represents a cost to the Federal Government which is not included in the cost denominator of the benefit-cost ratio. Since the inclusion of this cost in that ratio would tend to lower the benefit-cost ratio below 1, the omission of this real cost is very unfortunate. It results in projects being considered economically justified when they are in fact not justified as the result of omitting this important component of cost to the Federal Government.

The size of the interest cost on this interest-free \$17 million is substantial. Four million dollars of this will be repaid by the irrigators themselves over a 50-year period.

In this case if somehow or other the bill is passed it will be repaid with great reluctance since farmers have overwhelmingly indicated that they are opposed to the irrigation project.

The additional interest cost to the Federal Government on this \$4 million is about \$4 million—the same as the principal amount. The average interest payment by the Government would be about \$80,000. After 50 years, the Federal Government would have paid \$4 million in interest, to be paid out of the revenues of the power sales from the Missouri River Basin powerplants.

This is a strange aspect of the financing of Glen Elder, since no power facility is connected with the Glen Elder project. This means that the power users—perhaps there are some in North Dakota; I know there are some in South Dakota and in Nebraska—will have their rates increased, although they will not get one additional kilowatt from the project, because it will produce no power whatsoever.

ADDITIONAL INTEREST COSTS

Let us leave this strange feature for a moment and consider only the additional interest costs to the Federal Government as the result of the \$13 million being interest free for so long. It has been calculated that the additional interest cost to the Federal Government as the result of this financing feature will be \$56 million. The present discounted value is \$21,308,000, using a 2.5-percent discount factor, or \$14,322,000 by using a 4-percent discount factor.

The value of getting \$56 million, or up to \$56 million, over a period of 100 years is not the same as having \$56 million now. Obviously, if one had \$56 million now, he could invest it at interest. What is the value of \$56 million paid over a pe-

riod of 100 years? If one applies the discount factor at 2.5 percent, it is \$21,308,000. If the 4-percent discount factor is used, the discounted value is \$14,322,000.

The reason why this additional interest cost is so high is that power income cannot be made available for the repayment of the irrigation cost allocation until all the cost allocated to the power facilities has been repaid. In the case of the Missouri River Basin, this will not occur until the year 2040, or perhaps later. After that, the existing irrigation project will have to be paid for before the Glen Elder project can be paid. Thus, \$13 million will be carried interest free by the Federal Government until at least the year 2040 before it has even begun to be paid off at a cost to the taxpayers of \$500 million a year.

If this amount of interest subsidy or additional interest cost is included in the cost denominator, as it should be, the benefit-cost ratio would be lowered below 1, even using 100 years and a low discount factor.

We ignore the effect of the program and the increased cost which the program imposes on our regular farm program. If that were included, the benefit-cost ratio would be lowered to 0.5 or 0.6 percent. There would be twice as much cost as benefit. But if we exclude that and include interest, the effect is still sharply to lower the benefit-cost ratio and make it economically indefensible and unfeasible.

Mr. President, it seems to me that to make this presentation coherent and logical, it is desirable at this time that I try to explain exactly how the present reclamation projects operate. In doing so, I rely on the magnificent, definitive work which has been done by Dr. Otto Eckstein, of Harvard University, who has written one of the finest analyses on water resource development that anyone has ever written. In the course of his article, Dr. Eckstein wrote:

The current irrigation program of the Federal Government began with the passage of the Reclamation Act of 1902, which authorized the Bureau of Reclamation to build irrigation projects. The act set up the Reclamation Fund, which provided revenue from sale of public lands for this purpose; it also required that settlers on the projects must sign contracts to repay construction costs in 10 annual payments, and it set down a very basic principle of the program that largely governs to this day, that no settler is to be permitted to receive irrigation water for more than 160 acres. Most of the other principles have been modified in subsequent legislation. Funds are now also provided out of general appropriations as well as from specific sources, such as revenues from the sale of electric power. Agreements to repay construction costs are no longer signed by individual settlers but by irrigation districts, governmental entities which have been given the power of taxation over a project's beneficiaries. The repayment period has gradually been extended from 10 to 40 years and need not begin until a development period of 10 years has passed. The program is confined to the 17 Western States and to Alaska.

A typical irrigation project must pass through many planning stages before it becomes a reality. The Secretary of the Interior and the Congress have the power to initiate surveys to be undertaken by the

Bureau of Reclamation and to see if a project is feasible from the point of view of engineering and of reimbursement. Unless Congress waives the requirement, a project can be authorized only if it can be shown that the total cost of all reimbursable purposes can be repaid during the repayment period. If the project passes both feasibility tests, the Secretary has the power to authorize it, though in recent years Congressional authorization has been used exclusively. In addition, the Bureau of Reclamation analyzes the economics of the project by means of a benefit-cost analysis. Projects are generally not recommended for authorization unless benefits exceed costs.

Construction cannot be started until the water rights for the project have been secured from the State governments and until the Congress has appropriated the funds. The choice of settlers on the project is determined by lot in public drawings, with veterans having preference. Once a project is completed and the development of its potential acreage is well advanced, the Bureau of Reclamation will turn over the management and maintenance of the facilities to the irrigation district. The Bureau continues to collect payments under its contract with the district until the total is equal to the share of construction costs which was to be repaid by irrigation. Sixty projects or portions of projects had been transferred to water-user organizations by June 1952 out of a total of 54 completed and 83 partially completed projects.

Table 34, giving figures of acreage and annual crop values, gives some indication of the size and growth of the program. It is interesting to note that reclamation was carried on by the Federal Government on a large scale for a number of decades before the great depression. It must also be stressed that there was much irrigation by private organizations prior to the Federal program, and that even today the acreage of the Federal projects is only about one-quarter of the irrigated land in the 17 Western States.

The importance of the Federal program in relation to the Nation's agriculture is indicated by the fact that the irrigated acreage is 0.5 percent of the total land in agricultural use, and that the resultant crop value is 2.8 percent of the total agricultural output for the country. The composition of this output is indicated in table 35.

Mr. President, I ask unanimous consent that both table 34 and table 35 be printed at this point in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE 34.—Irrigated acreage and total crop value for selected years

Year	Irrigated acreage	Total crop value
1910.....	473,423	\$12,974,639
1915.....	856,778	18,164,452
1920.....	2,205,420	113,677,420
1925.....	2,339,470	131,264,730
1930.....	2,790,856	119,661,820
1935.....	2,935,616	106,781,294
1940.....	3,391,070	117,788,677
1945.....	4,162,588	435,184,395
1950.....	5,077,186	578,237,709
1952.....	5,955,750	935,679,755
1954.....	6,125,766	865,025,682

Source: Secretary of the Interior, annual report, 1955, p. 50.

TABLE 35.—Crops on Federal reclamation projects, 1949

[Percent of total revenue]	
Cereals.....	13.1
Barley.....	4.6
Corn.....	.9
Oats.....	1.3
Rye.....	.0
Wheat.....	5.2
Other.....	1.1
Seed.....	5.7
Alfalfa.....	.8
Clover.....	1.9
Other.....	3.0
Hay and forage.....	18.5
Alfalfa hay.....	12.0
Other hay.....	.8
Corn fodder.....	.4
Other forage.....	.6
Beet tops.....	.2
Pasture.....	4.5
Vegetables and truck.....	26.3
Beans.....	3.5
Onions.....	1.2
Potatoes, white.....	8.8
Potatoes, sweet.....	.1
Truck.....	11.6
Gardens.....	1.1
Fruits and nuts.....	10.1
Apples.....	2.3
Peaches.....	.7
Pears.....	.6
Prunes.....	.1
Citrus fruits.....	1.0
Small fruits.....	4.9
Miscellaneous.....	.5
Miscellaneous.....	23.4
Sugar beets.....	4.9
Cotton, lint.....	15.0
Cotton, seed.....	1.7
Other crops.....	1.8
Other revenues, including payments by Government.....	2.9
Total.....	100.0

Source: Golzé, "Reclamation in the United States" (1952), p. 43.

Mr. PROXMIRE. Mr. President, I continue to read from Dr. Eckstein's article:

Table 36 gives the appropriations which Congress made available for all of the work of the Bureau of Reclamation, including its construction of hydroelectric power capacity and its other purposes, while table 37 shows the Federal investment in irrigation and the multipurpose projects of the Bureau.

Though the future trend of appropriations cannot be predicted, it appears that the program will continue on a large scale. Under the Democratic administration, the Commissioner of Reclamation estimated in 1952 that completion of the program then projected would call for average expenditures of \$301,662,000 a year for the period 1953-59. Actual appropriations have been smaller, less than \$200 million in recent years. The study of 1952 claimed that there are further development opportunities in these States which would involve about five times as much acreage as has already been developed.

The supply of water to a number of farms is the actual service rendered by the Federal Government when it constructs an irrigation project. It might, therefore, be expected that the benefit of this operation would be measured by the prices which the farmers would be willing to pay for the supply of the water. But there are strong reasons which preclude so simple a measure; if farmers had to pay as much for the water as

it was worth in terms of additional output, there would be no incentive for them to bother moving to the project or to engage in the long and backbreaking task of bringing the irrigable acreage into intensive cultivation. In addition, it is not generally practicable to sell the water by the acre-foot or even year by year; rather, the beneficiaries must sign long-term contracts to meet the total obligations for the project before construction is started. Thus, a direct measure of the economic worth of the water supply could not be predicated on actual revenues, but rather on a hypothetical computation of the maximum amounts which farmers would be willing to pay if they were perfectly rational entrepreneurs. This amount is taken to be equal to the expected change in the income of the irrigator families.

Incidentally, in the case of the Glen Elder project, the fact that the farmers will pay only \$8.50 an acre a year means that their total payments will be something like \$200 an acre, and the cost to the Federal Government will be over \$1,500 to bring the land into production; and this suggests, as a rough estimate, that the total subsidy involved in this case is about 7 to 1. In other words, the real value of the land is about one-seventh of the cost of bringing it into production, if the value of the land can be measured by the estimate made by the Bureau itself as to the amount the irrigators will pay.

Incidentally, I suggest that it should be much less than that, if it is to be stated in real terms, because the map to which I have been referring shows that 90 percent of the farmers are unwilling to have this done or, in fact, are very vigorously opposed to the project.

There are three categories of direct farm benefits:

1. The increase in "family living," including the homegrown products consumed by the family, the higher level of other perquisites such as the farm dwelling, and the increase of the cash allowance for family living expenditures;

2. The increase in cash income after the deduction of all production expenses, including a charge for depreciation and interest on the farm investment, and the deduction of the increase in the cash living allowance; this figure is equal to the repayment capacity of the project and is used for checking its financial feasibility;

3. An allowance for accumulation of owner equity in the farm investment, equal to 1 percent a year.

At the conceptual level, the first and second categories of direct benefits measure precisely the benefit, or extra income, which accrues to the irrigators. The third category is justified by a peculiarity of accounting. An amortization charge of 1 percent is included among the associated costs of the farms; this charge is not a genuine cost but represents the acquisition of ownership by the farm families; the allowance for accumulation of equity simply offsets the erroneous inclusion of both amortization and depreciation among costs.

The basic data for these computations are drawn from farm-budget studies which have been undertaken by the Bureau. These studies show output, production expense, and family living expense figures for farms of

different types. For any given project it can be determined what kinds of farms are likely to be developed and in what numbers; these figures can be combined with the budget studies and price estimates to derive an aggregate analysis for the entire farming operation on the project.

Mr. President, I ask unanimous consent that a table entitled "Derivation of

Direct Farm Benefits From Projectwide Totals of Farm Budget Data," be printed at this point in the RECORD.

The PRESIDING OFFICER (Mr. BARTLETT in the chair). Is there objection?

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 38.—Derivation of direct farm benefits from projectwide totals of farm budget data

[Annual values under full development]

Item	With irrigation	Without irrigation	Difference	Direct farm benefit
1. Type of farm.....	(¹)	(²)		
2. Number of farms.....	100	10	(90)	
3. Acres per farm.....	160	1,600		
4. Irrigable acres.....	16,000	16,000		
5. Farm products sold.....	\$1,350,000	\$100,000	\$1,250,000	
6. Products consumed in home.....	50,000	3,000	47,000	
7. Rental value of dwelling.....	25,000	2,000	23,000	
8. Gross farm income.....	1,425,000	105,000	1,320,000	
9. Production expenses.....	900,000	60,000	840,000	
10. Family living allowance.....	225,000	22,500	202,500	\$112,500
11. Payment capacity.....	300,000	22,500	277,500	277,500
12. Farm investment.....	4,000,000	400,000	3,600,000	36,000
13. Total direct farm benefit.....				426,000

¹ Irrigated farm.

² Dry farms and grazing.

Source: Department of the Interior, Reclamation Manual, 2.2.3.

Table 38 shows a model computation of direct benefits based on these concepts, which is presented in the official manual of the Bureau. Lines 1 to 9 summarize some of the physical and gross income and production data. Line 10 shows the first category of direct benefits, the increase in the family living allowance. It is based on an allowance of \$2,250 per family, reflecting the goods and services consumed on the farm (lines 6 and 7), plus an allowance for cash requirements for outside purchases; this figure will vary from one project to another. The direct benefits from this category are derived by subtracting a family living allowance of \$1,000 per family, which, it is assumed, each family would have received if it had not settled on the project. There are 90 new families on the project of the example, so that \$90,000 must be subtracted from the living allowance earned on the project site. The figure of \$1,000 is generally used as the basic family allowance that would be earned by the settlers without the project, which implies that they are assumed to come from very poor farmland. This assumption can be defended even if the settlers come from land that yields somewhat more, since their departure makes room for some other farm family to take their place, and so on.

Although that might be defended in many cases, I point out that in this case one would assume that the farmers who already live on the land will continue to live there; and they are not farmers who farm very poor land. These are proud farmers who seem to do a satisfactory job now, and are not interested in additional irrigation, but, instead, oppose it. As I have already indicated, they are now receiving a reasonable price for the crops they produce.

Next:

It is the family allowance on the land which is marginal in the area within which there is substantial family mobility that is of relevance. But it must be remembered that the kind of people who are willing to undertake the backbreaking task of developing new irrigated land, and who are willing to take the risk on the substantial invest-

ments which are required, are not typical farmers; they are usually in the healthiest age groups, in their twenties or thirties, and are among the most venturesome in the farm population. Their alternative earnings are probably a good deal more than \$1,000. The computation also makes no allowance for the cost of moving the family to the project, a cost composed of the money charges actually incurred by the family to move themselves and their belongings, plus the intangible psychic costs of settling in a new and uncertain environment.

The second category of direct benefits, line 11, corresponds to the remaining increase in net cash income, the share not needed for the living allowance and therefore available for the repayment charges. Thus the two categories are equal to the total net change in farmers' income before water charges. The third category, line 12, is based on the accumulation of owner equity, and is equal to 1 percent of the added investment. Total direct benefit is the sum of these three categories.

In other words, the sum of gross farm income, production expenses, and the family living allowance.

Of course, much the largest question about the validity of the direct benefits is raised by the Federal farm support program.

That is exactly what I have been discussing for the last hour or so.

To some extent, the present price projections make some allowance for this factor by postulating a fall in price of 20 percent for the major commodities which are in surplus and under Federal support. This is not an adequate adjustment, of course, since the direct benefit of crops that end up in storage is zero, the resources being used up contributing nothing to real national income. Or to look at the matter more broadly, is it reasonable to add to the country's arable acreage at high cost, when the total capacity of agriculture is obviously too great, with the excess a heavy burden to the Federal Treasury?

Mr. President, this is the fundamental question, and this is why I am talking so long this afternoon and am going into

such great detail in emphasizing this point as thoroughly as I know how, because I do not think there is a reasonable answer to this question. It is reasonable to develop additional agricultural land at such high cost, when already there are such great surpluses of agricultural commodities, with the resulting very heavy financial burdens on the Federal Government? Of course the answer to that question is "No." This very expensive program was developed as an incentive program during war, at a time when additional production of agricultural commodities was very much needed. But it is totally unrealistic to apply that principle to the situation existing today.

I read further:

The Department of Interior has attempted to answer this charge in a statement submitted by Fred A. Seaton, Secretary of the Interior, to the Joint Economic Committee of the Congress (printed in "Federal Expenditure Policy for Economic Growth and Stability," "Federal Expenditures and Programs for the Development of Natural Resources," joint committee print, 85 Cong., 1 sess., pp. 645-656, November 1957). Its defense runs along two lines; first, the irrigation program is considered to be justified by longrun trends in the economy, including the growing population, rising consumption per capita, and the removal of good acreage from agricultural uses because of the growth of cities and highways.

Mr. President, let us deal first with that objection. Of course, the answer to it is that we have a rapidly growing population—growing today perhaps as rapidly as it will grow for the next 20 or 30 years. This rate of population growth has existed during the past 20 years; but what has happened insofar as the consumption of food is concerned? We have consumed more food but in our consumption we have not kept pace with the additional production. So at the present time, even after the huge increase in our population, we have a far worse agricultural-commodity-surplus problem than we had before that increase occurred.

There has been an increase in consumption per capita, although the records show that, while there has been an increase in economic consumption, especially services, persons consume about the same amount, on an average, as they did 30 years ago. The type of consumption may be different. People are consuming more fruits, meats, and some products, and less potatoes and other staples. But, in total average, consumption has not changed very much. It is unlikely to change in the future. People are more aware of dieting, and they have kept food consumption down more than they have in the past, and they are likely to be more aware of it in the future.

The argument is made that the trend is toward the removal of good acreage from production because of the growth of cities and highways. Anybody who has observed what I have over the past 10 or 12 years in taking land out of production and the amount we have paid to take good, fertile land out of production—and if anybody does not think it is good land, he should come to

Wisconsin and look at it, because it is excellent land, and very valuable land—will recognize that this is not a very meritorious argument to make—namely, that the long-run trend is to take good acreage out of production to build highways, terminals, and anything else along that line. The fact is that we have an enormous supply of good, arable land available for production, and we are not using it.

The second argument made by Secretary of the Interior Seaton was that the contribution of the irrigation program to the surpluses is very small because of the nature of the crops grown and because of their geographic dispersal.

This is an argument that has no validity at all with regard to the Glen Elder project, because this is a project which is going to produce primarily grain sorghums, which are in very great surplus, and which were among the feed grains included in the recent legislation which we passed finally only a few days ago, at enormous cost to the Federal Government and to the Federal taxpayer. It is a surplus crop.

Every single bushel of grain sorghums that will be produced will in effect add to our surplus—all of it, not just a portion of it, not just 20 percent, or 2 percent, but all of it, all 100 percent of it.

With respect to the argument of geographic dispersal, as I have shown on the map, and as I have worked the presentation, in analyzing production in Kansas, the fact is that there is overproduction of feed grains in Kansas, and Kansas has been one of the principal beneficiaries of the feed grains program, having received \$60 million in payment to take thousands of acres out of production. Now it is proposed to bring land into production and to increase produce units of existing farms. The owners of the land overwhelmingly reject the proposal and say they do not want to have it included.

I am glad to see that Mr. Eckstein, back in 1956, when he wrote the article, agreed with me, because he said:

Neither of these defenses is adequate. As for the first, in the short run there is clearly a surplus of agricultural land, and even if our present long-run projections say that the situation will be reversed, there is little point in committing resources now to cope with this problematical contingency.

To illustrate the second contention, the Bureau of Reclamation has prepared figures which show that its projects grow no more than 0.4 percent of total corn production, 2 percent of wheat, 2.8 percent of rice, 5.8 percent of cotton, and no tobacco. These are the major crops under price supports. On the other hand, the projects grow a large percentage of the fruits, nuts, and vegetables, which on the whole are not supported. Assuming that a proportionate share of the output of each crop in each State grown on projects ends up in storage, the annual support cost is on the order of \$40 million, given the physical output figures submitted by the Bureau.

This is a small figure in relation to the agricultural program, less than 2 percent.

Incidentally, I might say that all of the production, the \$1 million a year, will be a cost to the taxpayers, all of it with regard to the Glen Elder project.

Eckstein goes on to say:

Compared to the reclamation program, it looms considerably larger, however, adding at least 25 percent to the annual cost of the program. More important, however, the figure vastly understates the support cost. It assumes that if, say, 10 percent of a crop in a State ends up in storage, 10 percent of that crop grown on irrigation projects in that State also can be considered to be purchases by the Federal program. But the output on irrigated land should really be considered incremental for the country as a whole. If a crop is in surplus, all of the extra output caused by irrigation must be considered to add to the surplus, not just a proportionate share. Computing the support cost on this basis would yield a figure about four times as large, or about equal to the direct annual appropriation for irrigation.

Indirect irrigation benefits, which have also been known as secondary benefits, have been the subject of a great deal of controversy in recent years. The Subcommittee on Benefits and Costs has not been able to get agreement on the use of this category of benefits. The Presidential Advisory Committee on Water Resources Policy has recommended that benefit-cost ratios should be computed on the basis of direct, or primary, benefits alone, though any agency is permitted to submit figures for secondary benefits as "supplementary material." The committee permits use of secondary benefits for project

justification where resources are otherwise unemployed but argues that they should not be confused with primary benefits. The report of the committee is only advisory, however, and it remains to be seen to what extent actual agency practice will be modified. At the same time, there has been considerable pressure in Congress to continue the use of secondary benefits.

Essentially, indirect benefits are designed to reflect the impact of the project on the rest of the economy. The methods of computing these benefits have been changed a number of times, but they have always rested on certain assumptions and principles. In order to be able to come to an evaluation, we shall describe the procedures that were in use in recent years and shall then discuss them from the points of view of the present study.

Mr. President, I ask unanimous consent that a table, labeled "Table 39: Irrigation," be printed in the *RECORD* at this point. This table shows the derivation of indirect irrigation benefits from summary of farm budgets for entire projects.

There being no objection, the table was ordered to be printed in the *RECORD*, as follows:

TABLE 39.—*Derivation of indirect irrigation benefits from summary of farm budgets for entire project*

[Annual values under full development]

Item	With irrigation	Without irrigation	Difference	Factor	Indirect benefit
1. Type of farm.....	(1)	(2)			
2. Number of farms.....	100	10			
3. Acres per farm.....	160	1,600	(90)		
4. Irrigable acres.....	16,000	16,000			
5. Sales to local wholesale and retail business:					
6. Fruit and vegetables.....	\$50,000		\$50,000	5	\$2,500
7. Hay and forage.....	300,000	\$10,000	290,000	5	14,500
8. Subtotal, benefit A.....	350,000	10,000	340,000		17,000
9. Sales for local and nonlocal processing, marketing, etc.:					
10. Grain.....	25,000	50,000	-25,000	48	-12,000
11. Fruit and vegetables.....	25,000		25,000	24	6,000
12. Sugarbeets.....	250,000		250,000	26	65,000
13. Seed crops.....	10,000		10,000	10	1,000
14. Dry beans.....	10,000		10,000	23	2,300
15. Soybeans.....	5,000		5,000	30	1,500
16. Livestock (meat).....	550,000	25,000	525,000	11	57,750
17. Wool.....	75,000	5,000	70,000	78	54,600
18. Dairy products.....	25,000	5,000	20,000	7	1,400
19. Poultry products.....	25,000	5,000	20,000	6	1,200
20. Subtotal, benefit B.....	1,000,000	90,000	910,000		178,750
21. Purchases for family living and production expenses:					
22. Direct farm benefit.....			112,500		
23. Less increased perquisites.....			-70,000		
24. Increased purchases for family living.....			42,500		
25. Increased farm production expenses.....			840,000		
26. Subtotal, benefit C.....			882,500	18	158,850
27. Total indirect benefits A, B, and C.....					354,600

¹ Irrigated farms.

² Dry farms and grazing.

Source: Department of the Interior, Reclamation Manual, 2.2.6.

Mr. PROXMIRE. Mr. President, I continue to read from Mr. Eckstein's article:

Table 39, reproduced from the Bureau manual, gives an example of the computation of indirect benefits. It can be seen that the entire analysis is carried out on the "with and without" principle. The indirect benefits are divided into three categories. Category A is designed to measure the profits earned on commodities of the projects which are sold locally. The figure is derived by simply multiplying the total local sales by 5 percent, which approximates the (average

profits earned on sales by local distributors.) Category B measures the profit expected to accrue to "all other enterprises between the farmer and the final consumer, from handling, processing, and marketing." In order to facilitate the analyses of specific projects, the Bureau has derived statistically a set of indirect benefit factors; each factor represents the ratio of total profits in later processing to the value of the commodity at the farm. By multiplying the list of output quantities by the respective indirect benefit factors, the total extra profit is approximated. These two categories of bene-

fits have been called the "stemming" benefits.

Category C represents the "profits of all enterprises from supplying goods and services for the increase in farm purchases for family living and production expenses, usually called the induced benefits." In other words, it is the profit earned on the purchases made by the project. The profit rate has been computed to be an average of 18 percent for all farm purchases, and this figure is multiplied by the sum of the production expenses and the purchases for family living. In addition to the three categories included in table 39 indirect benefits are also expected to accrue from the rise in residential land values in towns near the project. To get an annual figure, a rate of return of 4 percent is applied to the rise in residential real estate values. This figure measures the induced benefit of additional rental services.

The procedure outlined above were submitted by the Bureau to an independent panel of three distinguished consultants, Professors J. M. Clark, E. L. Grant, and M. M. Kelso, who made a number of criticisms but who endorsed the general approach. After examining the alternative, abandonment of measuring secondary benefit and inclusion of relevant statistical facts in project reports, they conclude:

We see force in this view (that the evaluation of offproject effects be left to the judgment of higher authorities); but we recognize also that the pressure for rules of thumb is strong, and the advantages of more definite uniformity great. We therefore propose continued use of formulas, regarded as rules of thumb, and altered from present Bureau practices, for "stemming" and "induced" benefits; but for some elements we propose that they be left to the exercise of judgment, without attempting quantitative measurement.

STEMMING

I wish to stress what I am talking about, because this "stemming" is a little complex, and I think it deserves repetition, to emphasize what it means.

"Stemming" includes two categories.

The first category includes profits earned on commodities of the projects, like Glen Elder—which, let us say, to make it simple, would produce nothing but grain sorghums, although the projects produce alfalfa, et cetera—sold locally. In other words, that category includes the profits on commodities which are sold locally. That is Category A. That figure is derived by multiplying total local sales by 5 percent, because that approximates the average profits earned on sales by local distributors.

In other words, this is not a profit which the farmer would receive. If the farmer should sell his grain to a local processor, who in turn sold it to a miller, the profit which the local processor would receive would be considered in category A and would be said to "stem" directly from the irrigation project. That is the category A of the two categories which make up "stemming."

The second category, or category B, measures the profit which is expected to accrue to all other enterprises between the farmer and the final consumer from handling, processing, and marketing.

In order to facilitate analyses of specific projects, the bureau has derived statistically a set of factors, each representing an indirect benefit. Each factor represents the ratio of total profits in later processing to the value of the commodity on the farm. Then the bureau multiplies the list of output quantities

by the respective indirect-benefit factors, for a total extra profit.

I suppose, simply stated, what "stemming" amounts to is the profits which are received by all persons who handle the products produced on the land which is irrigated except the farmer, because, of course, the farmers' benefits are directly calculated. They do not "stem," and so would be calculated separately.

Continuing the quotation:

As a rule of thumb the consultants question these procedures on the grounds that the factors vary too much among commodities, ranging from 6 to 83 percent, with those commodities which appear to have the firmest demand, such as fresh fruits and vegetables, and dairy, meat, and poultry products, having low factors, while cotton and wool, for which there is little need, have the highest factors. They also recommend that the benefit-cost ratio be expressed in a way that makes clear what portion of benefits are indirect, and that separate ratios be given for separable segments of projects. With regard to stemming and induced benefits, they find that present procedures involve double counting. They reason as follows: to increase national income, both the supply and the demand of commodities must be increased, the first to prevent higher monetary demand from merely raising prices, and the latter to prevent higher output without a corresponding increase of monetary demand to take the goods off the market. They conclude, therefore, that either one or the other should be counted, but not both for any period of time.

The consultants interpret induced benefits to be those originating in the fuller utilization of underemployed resources and labor; stemming benefits are assumed to be caused primarily by increasing the productivity of resources. They conclude that induced benefits should be granted during the period of construction, with the amount related to general employment conditions, and that stemming benefits be credited during operation, the amount to be much reduced below present practice. They also propose that an indirect benefit factor be applied to project costs, to indicate what indirect benefits would have been generated if the resources had been used elsewhere. If the factor applied to project costs were as great as the average of the other indirect benefit factors of a project, this recommendation alone would be sufficient to eliminate justification of projects through the use of indirect benefits, for any project with direct benefits smaller than direct costs would have more foregone indirect benefits on the cost side than positive indirect benefits from its outputs. Indirect benefits could only magnify the difference between a project's benefit-cost ratio and a ratio of 1.0; they could never push the project above or below the justification point.

Before we turn to a critique of the use of indirect benefits, one important distinction must be made. Benefits accruing locally or in the region are different from national benefits. Economic activity generated by a project will lead to an increase in wages, profits, and other incomes in the proximity.

This is quite important, and it is ignored, in general, in computing the benefits.

To some extent these increases will be offset by decreases elsewhere, but this is irrelevant from the local or regional point of view. Conversely, some of the benefits may accrue outside the area.

Now I should like to take up both the national and regional points of view.

The impact of a project on the rest of the national economy depends very much on the state of the economy at the time. Let us

first examine induced benefits, which are assumed to be the benefits caused by the monetary payments which spring from the project.

In a time of depression, when the national output is far below capacity and there are idle resources diffused through the economy, induced benefits from the construction of a project are very real and important. The income payments which are made are re-spent by the recipients for the purchase of goods and services, setting off a long chain of impulses, putting idle men and resources back to work. This is the range of effects which is analyzed by the Kahn-Keynes theory of the multiplier effects of public works. The appropriate induced benefit factor is the multiplier, which can be estimated from a knowledge of the marginal propensity to consume in the economy. If national average figures are considered too crude, a better multiplier can be approximated by estimating the marginal propensities to spend of the groups which will receive most of the income payments, and calculating a multisector multiplier as outlined by J. S. Chipman.

Induced effects from the operation of projects are likely to be either very small or nonexistent during a depression. Since commodities are in oversupply, the money payments received for the project's output and re-spent by the farmers are likely to displace income payments to other farmers. If the commodity is sold in a free market, the extra supply will lower the price, and in view of the low elasticities of demand for farm products, may lower the total income received by farmers. If there are Government price-support programs, the extra supply will simply mean an increase of Government purchases of surpluses. This will lead to an increase of income payments and does open the doors to multiplier effects, but the effects are due to the increase in the Government deficit caused by the price-support program.

Mr. President, that is an interesting point of departure. In other words, the argument is that there may be some real benefit for the economy by having farmers produce not merely the regular surplus they would ordinarily produce, but a super surplus. The argument is that if we build the Glen Elder project for \$60 million to bring more land into production or, I should say, make the land which is in production more productive, it will be necessary for the Federal Government to engage in a more expensive farm program than we engage in now. That is true, and no one can deny it. That is why I deplore the project and why I have offered an amendment to knock it out. But those who favor the project, those who believe that the Government should engage in the irrigation project at a cost of \$60 million, can argue that whereas the project will increase the deficit, it will, after all, increase payments to farmers. It will increase farm income, and those farmers might then buy more tractors, milking machines, television sets, farm trucks and any number of other things. It is argued that in an economy such as ours, in which we are operating far below capacity, in which we have unemployed people, and our factory capacity utilization on the average is about 85 percent—well below what we could have although the Federal Government will have to run a deficit or the taxpayer will have to ante up more to pay for the project, it may be a good thing because it would mean more economic activity.

Mr. President, that is about the only argument that can be made against my amendment and for the bill as it is presently drafted. I doubt very much if the argument will be made, but I think it is the only argument that can be made at all. I reject it, because certainly if our country is in such a fantastically weak economic condition, if the understanding of our financial, business, and political leaders is so feeble that the only way we can revive our economy is to build unneeded and, as I pointed out in this case, unwanted irrigation projects which will perform the service of increasing the surplus supply of food, then we are in a very sorry condition indeed.

It seems to me that we should be able to justify public works. We could justify any number of things that ought to be done in our country, including improving our educational system greatly. We should be hiring more teachers. We should be training more teachers and paying teachers better. We should be emphasizing education, for it is our greatest shortcoming in America. We should reduce taxes so that people will have money to spend as they wish to spend it. But to rely on a system of increasing surpluses so that we can pay the farmer more in surplus payments is about as bankrupt, unsatisfactory, and ridiculous a method of stimulating our economy as I can imagine.

As Mr. Eckstein points out:

There are other ways that are far more desirable by which the deficit can be increased, which do not take the roundabout route of building irrigation projects, with farmers working to grow crops in order to be able to sell them to the Government which will put them in storage. Tax cuts or useful public expenditures are preferable ways of having the Government increase personal income. We therefore conclude that the operation of projects does not create induced benefits in depression other than the effect of the price-support program, but that the construction of projects does induce substantial amounts.

In times of inflation, when the total monetary demand for commodities exceeds the supply of goods, thus forcing a rise of prices, the induced effects are reversed. Project construction adds fuel to the inflation by bidding up prices and pumping more money into income streams, while project operation has relatively small induced effects, since the additions to expenditures made by farmers are largely offset by the increased output streams of commodities.

In times of economic balance, when there is high employment and a relatively stable price level, induced effects are likely to disappear. With the pattern of money flows and the production of commodities in harmony, the construction of a project should have no induced effects, especially if the Government's revenue policy is linked to its expenditures, which of course include the project. And the operation of the project again merely adds to both the income and the output streams.

I think it is desirable and necessary for us to consider the economy in all phases, because the project is one which will be spread over 100 years. During that 100-year period, we shall have periods of recession, deflation, depression, economic balance, and inflation.

As Dr. Otto Eckstein has pointed out, we cannot possibly justify such action in a period of inflation, because in a period

of inflation it cannot do anything more than aggravate the inflationary situation, increase Government spending and cost, and increase the burden on the taxpayer and consumer. As Dr. Eckstein has pointed out, in a period of balance it is a wasteful operation because there is no net contribution whatsoever. The result is zero. In a period of depression, when we have falling prices and profits and heavy unemployment, there are many other things that are far wiser, far more useful, and far better justified that could be done in place of the proposed project.

To continue reading—

The picture is quite different for the stemming benefits, which are defined to originate in the processing stages of production and which therefore must be confined to the period of operation of the project. In times of depression, the extra profits earned in processing commodities for the market must be nil or negative, since similar profits for processors of alternative sources of supply have been displaced to some extent and since the price drop caused by the increase in supply and the low elasticities of demand will reduce the total profits of all processors. If the farm output is sold to the Government as part of a price support program, usually no processing actually takes place, precluding stemming benefits altogether. Should the Government buy processed commodities at fixed prices, there would be an increase of processing profits, but an increase at the Government's expense. While there may be the induced benefit of an increase in the Government deficit, there is no stemming benefit which raises real national income since the commodity ends up in storage.

In times of inflation, open or suppressed, when there is a genuine shortage of goods, stemming benefits become possible. Particularly if there is a shortage of the outputs of a project, stemming benefits in processing are likely where the increase of output makes possible an increase of processing. The magnitude of the benefits will depend on the nature of the shortage. If it is very severe, so that the commodity can be assumed to be rationed, all of the profits in processing can be taken as a measure of stemming benefits, not only because they are made possible by the existence of the project's output, but also because that profit will be a reflection of the state of demand; it will represent the economic value of the processed goods minus the cost of other inputs, which must be assumed not to be in short supply. But it should be noted that the shortage of the project outputs must take the form of some sort of interference in the market, such as rationing, for otherwise it would express itself in higher prices at the farm, and would be reflected completely in the primary benefits.

I should like to point out here that there is no shortage of output. We have a fantastic surplus in this country. It is the greatest we have ever had. It is a surplus which is increasing, and there is every prospect that we shall have that surplus for many long years to come. Certainly there is no indication on the basis of legislation that has been considered, passed, or contemplated by the administration that we are going to be able to end this enormously serious farm problem. Under those circumstances it is perfectly obvious that the Eckstein analysis shows the stemming benefits to be nil.

When there is economic balance, stemming benefits become possible only if some extraordinary assumptions are made in the

analysis. If the premise of mobility is denied, so that it can be assumed that none of the factors of production would be put to a useful purpose in another location, and if there are pockets of unemployment in the area, then the output of the project may create processing opportunities and earning possibilities for resources that would otherwise be idle. These possibilities are the source of stemming benefits.

In this case, the people in the area do not want it. They say they cannot use it. They say the only benefit would be presently available recreational benefit. There will not be any irrigation, because they will not join a district, which it is necessary to do under Kansas law.

Dr. Eckstein goes on to say:

In our earlier discussion of this premise we pointed out that in a capitalist system, in which the movement of resources into their proper places is accomplished through the existence of differentials in reward, policies cannot be predicated on a general denial of mobility. Policies which reduce mobility, such as removal of the differentials which are to induce movement, destroy the foundations on which the viability of the system rests.

If the attempt is made to hold farmers in the area, or to hold people there by building a project like the Glen Elder project, or any other project, it runs counter to the mobility element in capitalism, which is so important, as people adjust their location and production to the needs of the market.

Like all policy criteria, the premise of mobility must be applied with moderation. There are situations where mobility is simply impossible; if processing facilities already exist in an area, are not used up to optimal capacity for reasons such as depletion of the soil, and cannot be moved because of excessive transportation costs, then the premise can legitimately be denied. This is likely to be particularly significant for projects which provide supplementary irrigation in areas in which the agricultural economy has been declining because of falling supplies of water. We saw another example in the case of flood control, where we assumed that movement of productive facilities could not be expected in anticipation of rare floods, and where we thus justified the existence of indirect benefits. There are other instances where the mobility of people cannot be assumed, perhaps because of specific ethnic or sociological obstacles.

Stemming benefits can also occur where output prices are not set competitively and the processors are able to earn monopoly profits. Since the markets for most agricultural commodities are competitive, this will be a rare but not an impossible case. For example, sugarbeet processors are likely to have some monopoly power in dealing with their suppliers, since transportation costs are so important that the beets cannot be shipped far for processing. Yet the optimal size of processing capacity is so large that it will not pay a second processor to move into an area to compete. Thus the processor may be able to set a price that does not reflect the full value of the beets.

But any exceptional instance must be warranted by circumstances that are peculiar to the case. We definitely reject the idea that all irrigation projects involve circumstances which permit denial of the premise in order to justify the use of indirect benefit factors on all its outputs even in times of economic balance.

I might say that in this case, in the Glen Elder case, shown on the map in the rear of the Chamber, there are no

such extraordinary circumstances whatever. The indirect benefits are very negligible indeed.

Economies of scale in associated enterprises may also give rise to stemming benefits. Fuller use of transportation facilities is the most important instance likely to be found where a project is located in a previously undeveloped area. Following the reasoning of our transportation analysis in chapter VI, stemming benefits from this source will equal the difference between the total transportation charges for the project's inputs and outputs and the long run incremental costs incurred by the transport system. The quantitative significance will depend on the magnitude of transportation charges in relation to the values of the commodities and the difference between marginal costs and transportation rates.

Physical interdependence among economic units is another possible source of stemming benefits. An irrigation project involves such interdependence; the management of the water at the reservoir, in canals, and in irrigation ditches requires full recognition of these physical relationships. But the measurement of primary benefits and of costs already presupposes that these problems have been solved, that is, that the water is released and distributed according to a reasonable plan, and so no further benefits can be anticipated from this source. To claim benefits under this heading, it would need to be shown that the water supply of persons not on the project is improved.

The benefits here are very marginal indeed. It would mean that the people in Beloit, Kans., the 3,500 people there, would have a water supply improved at a cost of \$60 million. I must say that that is the most expensive water supply that any people in the world have ever constructed at any time.

The appeal of the idea of stemming benefits is very strong. Anyone can quickly discover that processors do earn substantial profits on the commodities produced by projects, and it seems only natural that these benefits accruing to others be computed and included in the benefit-cost ratio. The premise of mobility leads to rejection of this line of thought because it implies that neither the processors nor their capital would be unemployed if the project did not exist. Perhaps they would be absorbed in a similar business somewhere else, or perhaps entirely different industries would offer alternative opportunities where they would earn an equal return. In times of economic balance it must be assumed that the alternatives do exist.

In summary, we conclude that stemming benefits are very unlikely in depression, are a possibility during inflation if the specific commodities are in particularly short supply, and can only be granted for periods of economic balance in those instances where the premise of mobility can be denied because of extraordinary circumstances. The routine calculation of stemming benefits, therefore, is not warranted.

Induced benefits, on the other hand, are largely confined to the construction of the project. They are large in times of depression, nonexistent in times of economic balance, and negative during inflation.

Mr. President, the pending bill contains a provision for \$500 million, appropriated for public works acceleration, public works projects which can be set up very quickly, and which provide for maximum employment. They can serve a real public use which meets these standards. This is only the first pay-

ment on a \$900 million public works acceleration program, which we approved only 10 days ago.

In the event that the President of the United States or Congress feels that public works programs at this time are desirable, I suggest that the thing to do is to provide public works in areas where there is heavy unemployment, in areas where public works can do a productive job to meet a public need, not in areas such as in this valley in Kansas where the people who would be benefited by the project overwhelmingly say they do not want it, where 90 percent of them have petitioned against it.

Certainly in this time, which is said to be a time of economic balance in Kansas, because there is certainly no cry to put people to work in this rural area on construction jobs, I believe it would be, as Dr. Eckstein points out in this definitive work, reasonable to conclude, so far as Glen Elder is concerned, that the benefits would be nonexistent.

He goes on to say:

But the basic assumption of benefit-cost analysis is that the investment in natural resources is made in a framework of economic stability and of steady growth. The increased need for resources and the justification of the entire program in the minds of the public are predicated on the future growth of the system. The entire economic analysis and the financial analysis as well rest on the absence of wide departures from economic balance. Especially in view of the long interval between the time the project reports are drawn up and the time the project is built, it has been found wise to assume neither inflation nor depression. With benefits expected to be reaped over an extraordinarily long period, usually 50 years or more—in this case, 100 years—it has been felt impossible to make more specific assumptions.

Yet a condition of economic balance is the state of affairs in which both induced and stemming benefits are nil or very small. It can therefore only be concluded that the use of indirect benefits in benefit-cost analysis must be confined to cases where it can be shown that there are unemployed and immobile resources or that there is underutilized capacity in associated economic activities.

I submit that that is not true in this case. This project involves \$60 million of spending that cannot be justified.

4. INDIRECT BENEFITS FROM A REGIONAL POINT OF VIEW

In evaluating the use of indirect benefits, we must first decide whether benefit-cost analysis is to take a national, a regional, or a local point of view. Throughout the present study, we have assumed that it is the national interest which the analysis is to maximize; we shall continue to assume that decision making in this area is best served by using the benefit-cost analysis to measure the change in real national income.

Yet in the case of the irrigation program, as in some other resource fields, regional development is an important policy objective and is perhaps the main rationale of the program. It is certainly true that both induced and stemming benefits accrue within the region. The money spent in the construction of the project at least in part contributes to local wages and profits. The addition of a large new economic enterprise will lead to the development both of processing capacity and of service industries which are complementary to the project; the increase in purchasing power of the settlers

will also trigger the development of other businesses to supply them with the consumer goods they will wish to purchase. The generated activities will induce still further enterprises, and so on. A project is an addition to the economic base, producing a superstructure of service activities. In order to indicate the expected development of the local or regional economy, it may be worthwhile to present information along these lines and, from the regional or local point of view, some of these effects may properly be called indirect benefits.

A methodology for measuring these indirect benefits has recently been devised by M. E. Marts, who studied a town which was based almost exclusively on the services it performed for an irrigation project.

In view of the location of this particular irrigation project on which the Senate will be asked to vote shortly after it convenes at 10 o'clock on Monday morning, I submit that either a town could be established for this purpose at the construction site, or the effect on Beloit, Kans., and other small towns nearby would be just as if they were constructed for that purpose.

Dr. Eckstein continues:

He derived a ratio of direct benefits to indirect benefits, using the increase in net farm income as a measure of the former and the increase in the total of labor, business, and property income for the latter. The estimates for farm income were derived from budget studies; business income was estimated from an analysis of actual business records in the town; wage income was estimated from official payroll data; while property income was estimated from an analysis of State income figures, separating farm property income from the rest. Marts found that indirect benefits generated locally by the operation of the project were 1.27 times as large as the direct benefits. Several studies of other projects have been undertaken using Marts' method, with the resultant indirect benefit factors ranging from 1.12 to 1.74. Projects suitable for the most intensive agriculture appeared to produce the most indirect benefits.

The recommendation of the Presidential Advisory Committee on Water Resources Policy, permitting submission of indirect benefit data as supplemental information or as a basis for local cost sharing, but keeping them out of the benefit-cost ratio, is well designed to make use of the kind of indirect benefits measured by this method. They can be clearly labeled to be local or regional rather than national. They will convey the general magnitude of the developmental effects of a project, and at the same time will tend to make more of the local beneficiaries subject to taxation for financing.

This reminds me of one of the very great weaknesses in making appropriations of this kind. We all have great admiration and respect for the two Senators from Kansas [Mr. CARLSON and Mr. PEARSON]. They are fine gentlemen.

All of us admire and respect the Senators who serve on the Committee on Interior and Insular Affairs and the Committee on Appropriations.

But everyone who has eyes to see, knows how Congress operates. If a Senator or a Representative has a project in his area which will benefit the region, on the basis of the analysis I have shown, that Representative or Senator, in pressing hard for his project, is likely to have a sympathetic attitude toward other Representatives or Senators, for many reasons. It is a reciprocal process, what-

ever one wishes to call it, which is responsible for the kind of public works bills or pork-barrel bills or civil function bills which come before Congress.

WHAT IS THE NATIONAL INTEREST?

That is why I have such a very unpleasant, difficult task. I suppose Senators might wonder—I am sure they do—"Why does the Senator from Wisconsin have to stick his nose into the business of the Senators from Kansas? If they want a project, they ought to have it. They, not the Senator from Wisconsin, know what is good for Kansas."

Aside from the fact that the people affected by this project who live in Kansas have overwhelmingly indicated to me their objections to the project, I submit that we as Senators must look at this problem not from a local or regional standpoint, but from a national standpoint. If we make an exception for Kansas, as I have already said, we have \$1,500 million worth of projects of exactly the same kind and size, since 1944, in precisely the same way, which are coming before us, and which have no basis on which to be sustained. If we make an exception for one case, we shall have to make an exception for every other case.

That is why the vote on this project on Monday will be so important, essential, and precedent making. If the Senate decides on Monday, in voting on this particular project, to approve it, I predict that virtually all of the \$1,500 million worth of additional projects, regardless of how unmerited they may be, regardless of how unjustified they may be, or how unsound they may be, will be approved, because a Senator or a Representative, whether he approved of the projects or not, will find himself in a position in which the constituents of his State will say to him, "Kansas got its project; why can you not get projects for Wisconsin?"—or for Alaska or North Dakota.

That is the great weakness of the situation. This is a fundamental problem. Many Senators, at least privately, will concede the facts I have been relating. This case is a strong one, and the argument I am making cannot be denied. No one tried to deny it before the Committee on Appropriations. There is not one word in the committee report to refute my statement, although it shocked the chairman of the Committee on Appropriations. There is not a word in the House hearings to refute what I am saying.

Why do we do it? Why waste \$1,500 million? We shall waste it because we are caught up in a system of "mutual aid," a system of helping one another, which is fantastically expensive for the American taxpayer.

The Glen Elder project will cost about \$60 million. The next one might cost \$500 million. The next one might cost \$10 million. Each of the projects by itself may involve too small an amount to excite the general public to resist this practice. The only way these projects will be stopped will be by having the Senate recognize what is at stake on Monday, and casting a vote which may establish a precedent.

Dr. Eckstein goes on to say:

Yet even this limited application of indirect benefits is subject to abuse. If the indirect local benefits are listed as if they were a net addition to direct benefits, the impression is created that the true benefits are the sum of the two categories. It must be made clear that in times of economic balance most of the local indirect benefits represent diversion of economic development from one region to another; there will be indirect benefits outside the region "without" the project. Systematic application of the "with and without" principle would require that the indirect benefits foregone elsewhere should also be listed.

Mr. President, a very simple example is that no attempt has been made to compute the value which would be lost when the many farms involved—constituting 14,000 acres—would be flooded by this project, and thereby would have their value completely destroyed. One would think that cost would be included in computing the benefit-cost ratio; but, instead, it has been ignored.

Dr. Eckstein then states:

5. PRESENT PRACTICE: PUBLIC BENEFITS

Besides direct and indirect benefits, a third group, public benefits, is evaluated and expressed in monetary terms. This group contains five effects of projects that are considered advantageous, and for which it was felt that meaningful monetary equivalent values could be estimated.

The first category consists of settlement opportunities. A benefit of \$1,000 per family is credited to a project for every opportunity to establish a family farm.

Here, Mr. President, I should call attention to the fact that no deduction has been made for the family farms which would be destroyed. In this case, 60 new family farms would be brought into production, but at least that many family farms would be destroyed. An allowance of \$1,200 is credited to the project for each family farm which it is estimated would be established, but no such deduction is made for the family farms which would be destroyed. Obviously, such a procedure is completely unrealistic and incorrect.

Then Dr. Eckstein states:

This figure is quite arbitrary, though it just equals the family allowance that is considered the alternative income which the family would have received in the absence of the project. The combination of the two practices is equivalent to the assumption that the income of the family without the project would be zero, which is, of course, contrary to the facts.

Certainly, Mr. President, anyone who has studied farming in this country knows that it is the least productive occupation, in terms of the income received by those who engage in it. Farmers receive less than one-half of the income received by those who engage in other occupations. On an hourly basis, farmers receive only about one-half of the minimum wage, for, on the average, farmers in this country receive only approximately 60 cents an hour.

So, when considered strictly from the point of view of income, a farm family might well be better off by going on relief in Washington, D.C., rather than by continuing to live and work on a farm. Of course, it is true that many other values are involved. Those who live on

farms receive, for example, certain psychological values. One of them is the satisfaction obtained because of the realization that one is supporting his own family. There is also the value which is obtained as a result of the advantages and enjoyment had from working outdoors.

I read further:

This benefit must be explained in terms of the intrinsic worth of the creation of opportunities for family farms, and must be valued in terms of the advantages of independent farm life. To attach a price tag of \$1,000 to the social value of farm ownership implies a very precise value judgment, which should not be made by an administrative agency and which should not be obscured by being buried in the benefit-cost analysis. This judgment should be made by the Congress and the President. To present the benefits of settlement opportunities in a way that is useful to reviewing groups, it is only necessary to state the number of opportunities created by a project. This figure is also subject to verification once the project is functioning.

Mr. President, I may say that recently an analysis was made by a group of eminent businessmen—the Committee on Economic Development—who say that our chief problem arises from the necessity, in their opinion, of moving millions of farmers off the farms. They believe that 2 million farmers should be moved off the farms, even if it is necessary to have them stand in breadlines. Of course, that was a most unfortunate proposal; but certainly we must agree that in the future we shall need a smaller number of farmers than the number now engaged in farming. Therefore, how can one possibly justify including in the computation the figure of \$1,200 as the additional value to be obtained from every additional family farm? If anything, I think that figure should be included on the negative side of the computation.

I read further:

Employment opportunities are another category of public benefit. These benefits are computed on the assumption of high employment and steady growth, so that they are not an attempt to adjust the estimates for fluctuations in national income. Employment opportunity benefits are confined to the increase in income of laborers who might otherwise be seasonally unemployed, and to the wages paid to persons not regularly in the labor force, such as housewives and schoolchildren who earn extra money during harvesting and canning. The benefit is conditional on the absence of alternative employment opportunities and is measured by the total income paid to such people. The lack of possible mobility for the labor in question must also be shown.

The economic nature of these benefits is closely akin to primary benefits, since income payments of this sort are the same as the income earned by the farm family from its work on the project. There is only one difference: while it can be assumed that the farmer would be working with or without the project, and the benefit to him can be entirely measured by the change in his income, the alternative for the people in question here is not work without pay, but leisure without pay. To find out the economic benefit of giving them the opportunity to work, one would have to discover how much they value the alternative of staying home.

Mr. President, that is not at all a facetious suggestion; instead, it is realistic, because that is about the only benefit which would be obtained from the project. The Government would have to pay for every additional nickel of value of the agricultural products produced in this area, in my judgment. All of the additional value would have to be paid by the Government. In other words, if it is argued that the project would result in additional agricultural commodity production to the extent of \$1 million worth a year, and that that would be a good investment for the Government, it might better be argued that in the long run it would be cheaper to pay directly to the farmers \$1 million, because the only thing which could be done with the additional food which would be produced would be to store it and allow it to go to waste while in storage; but of course in the process there would be large storage costs. So it is obvious that it would be cheaper merely to pay the farmers the \$1 million—except for the fact that there is some value in having people employed. But, certainly, no economic value is to be had from producing useless crops which would not be consumed. So the only real value of this entire project would be that some people would be active. However, I submit there are far better and more economical ways to keep people active—including an effective manpower training program and a great stepup in our educational program—rather than to have them active in doing something that is useless.

I read further:

The experiment which would have to be performed is the following: through test situations, one would have to find out the minimum pay which would induce each person to enter the labor force. The benefit is the difference between the actual pay and the minimum pay which would induce them to give up their leisure. Such experiments are impractical; but it is clear that the present measure of total income payments overstates the benefits, and some factor less than one, such as one-half or two-thirds, should be applied to the total extra income to derive the benefit from new employment opportunities.

The creation of new investment opportunities is another listed public benefit. If an area offers no investment opportunities to local owners of investment funds, a benefit is claimed for the interest payments made on the farm investment. The benefits can only be claimed if it can be demonstrated that there are no alternatives in sight during the project's life. They may not exceed 1½ percent on the farm investment, since the borrowing rate is assumed to be 4 percent and there is always the alternative of purchasing Government bonds at a yield of 2½ percent.

Mr. President, anyone can put his money into a savings and loan association and can receive 4-percent interest on it.

I read further:

These benefits are hard to justify, not only because it is difficult to show the absence of investment alternatives for 50 years or more, but also because the loans to farmers at 4 percent are much more risky than investment in Government bonds at 2½ percent. There must be compensation for the considerable risk bearing done by

the lenders, and it is not clear that the differential of 1½ percent is more than adequate for this purpose.

Benefits are also claimed for improving community facilities and services. They consist of the extra governmental services made possible by the extra taxes paid by the farms due to the income produced by them. The amounts of such benefits are determined from tax data found in farm-budget studies, by estimating the increase in real and personal property taxes.

Since new farms and new people require increases in Government services, and since it is not clear that the extra taxes equal or exceed the extra "social overhead" supplied by local governments, benefits of this kind are questionable.

They are very questionable in this case, in view of the fact that it is pointed out that the locality will lose, and the county will lose much of its tax base. They are going to lose the total value of the farms in the flooded area behind the dam. On the basis of the conclusions of the owners, who ought to know, the gain from the taxes received from the new farms will be negative. There will not be more taxes, but less taxes.

Anybody who argues that income tax revenue would be increased in that way has not looked at many farm incomes. My calculations show that 85 percent of the farmers do not pay an income tax to the Federal Government, not because they are dishonest—they are very honest—but because they do not earn enough income to make them liable for income taxes. Any analysis of farm income will show that not many of them have to pay Federal income taxes. They pay very heavy taxes, but they are local taxes.

I continue to quote from Dr. Eckstein:

The extra services can be classified into production services and consumption services. Police protection, fire protection, roads, and so forth, are, to some extent, genuine costs of production, and the taxes paid for them are costs, not benefits. Schools and parks may be considered closer to consumption. Just like any other consumption goods which the farmer purchases out of his income, their benefit is already included in the direct benefit, the increase of farm income, if computed before tax payments.

This is not to say that the level and quality of Government services does not rise when a marginal farm area is brought to thriving prosperity. But this rise is one of the effects of raising the incomes of poor people. It is a byproduct of every project and inclusion of tax estimates among the benefits is neither a legitimate part of the economic justification of a project, nor does it shed any light on its merits relative to other projects.

Finally, public benefits may be claimed for stabilization of local and regional economy. The economies of areas subject to unpredictable drought are stabilized by the presence of an irrigation project because the project receives its water supply from storage dams which can meet the project's needs under all conditions except severe and prolonged droughts, and even in that case a project can expect some part of its requirements. Thus the uncertainties of economic life are reduced for the people in the area. The benefits of this type are arbitrarily set at 5 percent of direct benefits except in areas where stabilization is desperately needed, where twice as much benefit is allowed.

In this case, again, the farmers living in this area and others who have ob-

served the area for many years say the rainfall is very steady. There has been no question of drought. There is relatively light rainfall in the area—25 to 30 inches a year—but it is adequate for the crops produced there.

There will be no stabilization of the economy caused by the irrigation project. There will certainly be a super-upsetting of the economy resulting from the fact that a \$60 million project will be constructed in 3 or 4 years in the area. Once the construction project is gone, the huge construction payroll will leave the community. All the businesses that have been established to take care of the payroll, whether grocery stores, restaurants, dry-cleaning establishments, or any other service establishments will find, once the construction people are gone, that their market is gone.

There will be just about the same number of farmers as before. On the basis of all the experience, I believe there will be fewer farmers, because the size of the farms is growing all the time, and the number of farms is becoming smaller. So the effect will be instability, not stability.

Eckstein goes on to say:

These benefits are analogous to the benefits from flood control which are described as "enhancement of the security of the people," and which the Army Engineers include among intangible benefits. Their method of dealing with benefits of this kind is more appropriate, since there is no rational basis for calculating a monetary equivalent. Estimates for the value of this benefit, as seen by the beneficiaries, could be derived from experiments. If people were given the opportunity to buy insurance against these fluctuations of income, it would be possible to discover how much they would be willing to pay for the security against these hazards. Such experiments are not practical as part of the planning process of every project, though just one experiment in a typical area would provide some basis for monetary evaluation. In the absence of such experiments, these benefits should be included among the intangible benefits of the project. Their nature can be fully conveyed to the Congress by including a brief history of drought conditions in the general description of the area as part of the intangible analysis.

Incidentally, the flood control benefits of this project, which are separable from the irrigation benefits, were calculated to be \$43 million. As was very ably testified by persons who live in this area, the flood control problem can be met far better by a series of small dams and a smaller flood control project, at lesser cost, and closer to the area that is likely to be flooded. This dam will be 250 miles from the area where any flood damage is likely to be serious or substantial. Any study of flood control indicates that when the dam is that far away, benefits are very likely to be modest. So it seems to me that the calculation of the benefits on this \$43 million flood control aspect is highly suspect.

I continue to read from Dr. Eckstein:

There is also serious question whether irrigation really reduces the riskiness of income in every case. The physical hazards attributable to an irregular supply of water

are reduced, of course, but this reduction may be more than offset by an increase in economic risks. Irrigated agriculture is usually production for the market and income from it will depend on price fluctuations. Where irrigators abandon production for home use or switch to cash crops suffering from particularly severe market instability, the benefit in this category may be negative.

WASTE NOT ONLY OF MONEY BUT OF WATER

I wish to discuss something that is generally ignored in this area, but which I think is perhaps even more important than the financial, tax, and waste-of-money aspects, and that is the water of water. The water which will be used for irrigation—which I think is a misuse in this particular area—could be well used for pollution control and the diminution of pollution. There are other uses, which I shall indicate, to which the water could be put.

Eckstein says:

The measurement of benefits and costs by means of market prices presupposes that all the goods used in a project are bought at market prices which reflect the value of the opportunities which are foregone. For irrigation projects, the most important input, the water taken out of rivers, has no market price. Yet irrigation constitutes 52 percent of the total water use in the United States. Since it is a consumptive use, that is, little of the water is returned to the streams, while most industrial uses are not consumptive uses, perhaps as much as 80 percent of the total water consumption is for irrigation. In the Western States, where rainfall is light and where most irrigation takes place, 92 percent of all water withdrawals are by irrigators, 3 percent by industry, and 5 percent by domestic users.

There is no need to summarize here the complexities of western water law. It is sufficient to point out that the arid States operate at least in part under the "doctrine of appropriation," under which the right to the use of some portions of streamflow is granted to anyone who will put the water to a beneficial use. The right is granted to the first qualified applicant, who keeps it as long as he uses it.

Irrigators have preempted most of the water rights in some portions of the West. Yet the lack of water may prove one of the biggest blocks to industrialization, since any new industry which needs large quantities of water, such as steam-electric power, steel, petroleum refining, or chemicals, will be seriously hampered. The water laws of most Western States accord priority to irrigation, which precludes the development of these industries and which helps to keep the areas predominantly agricultural. For example, a study made for the President's Materials Policy Commission points out that the oil-shale reserves in the Colorado area may be kept from being developed because the refineries must be near the deposits and there may not be any water supply because it is committed to irrigation. Yet industrial uses of water yield a much higher economic return than irrigation, which is the latest intensive of the major uses of water.

What a tragedy such a project is for a State like Kansas, where we know there is too much farm production, where there are too many farms, and where we would like to do all we can to provide industrial opportunities for farmers, in order to provide a more balanced growth and economic system, in order to avoid spending such vast amounts to take care of farm surpluses.

How tragic it is that against the will of the people involved we are forcing on

them an irrigation project they do not want, which is likely to appropriate their scarce water for a hundred years to come, instead of having it potentially available, at least, for industrial purposes. It will be used for irrigation and farm purposes, for the purpose of producing more surplus crops, which we do not need.

Because water has no market price and because one cannot foresee the value of the opportunities for industry which are being lost by appropriating the water rights for a specific irrigation project, the real cost of the water cannot be included in the benefit-cost analysis. But some other way must be found to assure that there will be no large economic losses from this source. One way of carrying out the principle set down by the President's Materials Policy Commission that "highest economic use must be made of scarce supplies [of water]" would be to include an analysis of the economics of water of an area in each project report, so that reviewing authorities and the Congress would be able to exercise their judgment with regard to the relative merits of irrigation versus industrialization where such a choice impends.

Needless to say, there was no such consideration with respect to this project. The only authorization—and that is the only way to look at this kind of problem—was one line in an authorization bill which passed the Congress 18 years ago. This is a very important point, because there are \$1½ billion worth of additional projects awaiting appropriations under authorizations completed on the same basis.

Again, in those cases there will be no opportunity for the Congress to consider alternative uses of the scarce water, and the possibility of using it for industrial purposes.

Such an analysis should include figures on the total water supply and its current uses and on the potential which remains for new purposes. It should also give some indication about the possibilities of industrialization in terms of the resources of the area, and should estimate how much water the new industries might need.

A separate analysis of one input is an awkward device. But as long as the water laws determine use by priorities rather than by economic value, one cannot overlook the possibility of lost opportunities for lack of water.

Project reports already contain studies of the water resources of the area. But the purpose of these studies is usually to demonstrate the availability of the flow required to meet the needs of the project, or to show how increased storage capacity increases the total supply. It would be a simple matter to go one step further by comparing these data with other potential uses.

Mr. President, Dr. Eckstein deals with a specific project, the Chief Joseph Dam project in Washington, to demonstrate his point. To save time, I ask unanimous consent that the material dealing with this project, found on pages 220, 221, and 222, including tables 40 and 41, may be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Let us now examine briefly the benefit-cost analyses of two projects, one of which brings new acreage under irrigation, while the other provides supplementary water for existing acreage. The first project is the Chief Joseph Dam project in the State of

Washington, one segment of which was included in the budget for 1956. It would receive water and pumping power from Chief Joseph Dam, a dam, which, when complete, will be one of the largest hydroelectric projects in the world. The ultimate development of the project would irrigate 75,000 acres at a cost of \$33 million, but only 3 of the 10 separable divisions were proposed for immediate construction and were analyzed in detail in the project report. To be irrigated would be 8,700 acres, of which 5,300 would be expected to be devoted to apples. Much the largest share of the benefits of the project would come from apple growing.

The direct benefits were estimated from a series of budget studies of typical farms that would be expected to develop on the project site. Two kinds of apple farms were studied, one of which we shall discuss here for purposes of illustration.

A typical farm of this sort would consist of 25 acres and would require a private investment of \$31,000. Since apple orchards take 7 to 8 years before they yield substantial crops, a 10-year development period is assumed. The gross income of the farm is estimated to be \$12,535, with annual expenses, including interest on investment, equal to \$7,651. Of the remaining \$4,884, which represent net income, \$1,000 are deducted as the alternative income of the family, and the rest is direct benefit. For the project as a whole table 40 summarizes the farm-budget studies. Indirect benefits were claimed of both the stemming and the induced variety. Public benefits for settlement opportunities were claimed at the rate of \$1,000 for each regular farm plus \$200 per part-time farm; a public benefit from improved community facilities equal to the extra local property taxes was also claimed.

TABLE 40.—Direct benefits of Chief Joseph Dam project

Increased gross farm income.....	\$2,402,800
Less increased farm operating cost.....	1,457,500
Less interest on increased farm investment.....	268,300
Less alternative family income..	191,000
Total direct benefit on new land.....	486,000
Savings on water cost of existing acreage.....	22,600
Total direct benefit.....	508,600

Table 41 gives the benefit-cost analysis of the project. The analysis reveals that it is justified. To be sure, most of the indirect benefits of \$1.56 per \$1 of direct benefit are impossible to justify from a national point of view and the \$0.50 of public benefits per \$1 of direct benefits are largely unacceptable for reasons outlined above; but there remain direct benefits of \$1.94 per \$1 of cost, which is sufficient justification for the project and would give it high priority compared to other projects.

TABLE 41.—Benefits and costs of Chief Joseph Dam project, initial development

Benefits:	
Direct benefits.....	\$508,600
Indirect benefits:	
Stemming.....	494,400
Induced.....	300,000
Total.....	794,400
Public benefits:	
Increased settlement opportunities.....	191,000
Improved community facilities...	61,000
Total.....	252,000
Total irrigation benefits....	1,555,000

TABLE 41.—Benefits and costs of Chief Joseph Dam project, initial development—Con.

Adjusted for development lag: 88.5 percent (10 years, discounted at 2½ percent)-----	\$1,376,200
Loss of fish and wildlife-----	400
Net annual benefits-----	1,375,800
Costs:	
Net Federal investment-----	5,624,000
Annual investment cost (2½ percent, 100 years)-----	153,600
Operation, maintenance, replacement and water pumping charge-----	77,700
Total annual cost-----	231,300
Benefit-cost ratio-----	5.95
Direct benefit to cost ratio-----	1.94

It might also be noted that the Federal subsidy which is granted through the absence of interest charges and through other devices discussed in section 12 below, is about \$22,000 per farm. This is an extremely large amount of money to be spent for the benefit of one family. While the justice or propriety of such a subsidy is beyond the scope of the present discussion, the simple fact should be made known to all who participate in the decision process and to the general public.

Mr. PROXMIRE. Mr. President, a few hours ago the distinguished Senator from Colorado [Mr. CARROLL] was in the Chamber and asked me to yield in order to permit him to comment on the Fry- ingpan-Arkansas project in Colorado.

The Fry- ingpan-Arkansas project is very controversial. I opposed it earlier this year. It had a great deal more justification than the project now before the Senate. As I told the Senator from Colorado, I am sure the farmers whose lands are to be irrigated favor the Fry- ingpan-Arkansas project in Colorado. Nevertheless, there were problems and shortcomings in that area. I should like to quote what Dr. Eckstein has to say in his concise analysis of this situation:

Much of the irrigation work of recent years provides supplementary water for existing irrigated acreage. A project of this type is the Fry- ingpan-Arkansas project, a large multipurpose project which is to provide power, irrigation water, municipal water supply, and flood control in the upper Arkansas River Basin. The President included the project in his budget requests for 1956 and 1957, but so far Congress has not voted any money.

Dr. Eckstein wrote this in 1953. Congress provided money this year. A few weeks ago Congress authorized a substantial sum for the Arkansas River.

The waters of the Arkansas River are overappropriated, so that there is inadequate water for land now under irrigation. The supply of water is to be improved by building a 50-mile system of canals and tunnels to collect water from Hunter Creek and Fry- ing Pan River, two tributaries of the Colorado River, to divert the water across the Continental Divide into the Arkansas- Mississippi system; total storage capacity is to be increased by extending two existing reservoirs and building two new ones. The area from which the water is to be diverted is virtually uninhabited; the beneficiary area contains about 400,000 people who make a living from farming, processing, tourism, mining, and some heavy industry. There is

much good farm land, on which about 150,000 of the people live, the productivity of which is constrained by the inadequate water supply. There is a clear demand for power and for municipal water; and there has been considerable flood damage, two thirds of which would be averted by the project.

The decreed diversion rights to the waters of the Arkansas River are about ten times as large as the average flow. The storage capacity of the reservoirs which had been constructed to correct this condition is being diminished by sedimentation and has become inadequate for current needs. The water rights on the Colorado River have been divided among the States and Mexico by a series of compacts. The rights to the water to be diverted from the Colorado watershed across the mountains into the Arkansas would come entirely out of the share assigned to the State of Colorado within which the project lies; the project water rights will be inferior to all existing rights on the originating side of the Continental Divide and to any transmountain rights which have been granted previously. As part of the project, a reservoir is to be built on the western slope of the mountains which will increase the total water available to the Colorado River system by a sufficient amount to permit the project to appropriate rights for the diversion which is planned. It is estimated that Colorado's total share of the Colorado River will be 3,855,000 acre feet. The present consumptive use plus estimated future use by authorized irrigation projects in the State are estimated to be 2,030,000 acre feet, leaving 1,825,000 acre feet for other uses in the State. The project would divert about 200,000 acre feet, including 15,000 acre feet for municipal water supply, which represents 11 percent of the remaining Colorado River water rights of the State. The report gives no hint of the possible needs for industrial purposes, such as the development of the oil-shale deposits.

The construction of the project, including both the transmountain diversion and the improved storage on the Arkansas River, would provide more adequate water supply to existing irrigated acreage. No new farms would be created, nor need there be much local channel work. The physical effect of the project would be to increase the total flow of water on the Arkansas River and to provide additional regulation over the seasons.

The benefit-cost analysis is based on budget studies for four typical farms: (1) intensive general agriculture with truck crops; (2) intensive general agriculture; (3) extensive agriculture, and (4) mountain-valley agriculture. Each of the four farm budgets shows the yield per acre, the number of acres to be devoted to various commodities, and the resultant quantities of outputs that can be expected with and without the project. Values for the original detailed analysis of 1950 were derived by applying prices based on the average for 1939-44; the project-report revision of 1953 used the prices recommended by the Subcommittee on Benefits and Costs. Production expenses were also estimated in order to compute the direct benefits for the typical farms. With the number of farms of each type known, the total direct benefits could be derived for the project. Indirect benefits were calculated by applying the official indirect benefit factors to output in order to derive the stemming benefits, and to farm expenditure for the induced benefits. No public benefits were claimed. Table 42 summarizes the detailed analysis of 1950.

Mr. President, I ask unanimous consent that table 42 may be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 42.—Benefits and costs of irrigation Fry- ingpan-Arkansas project, 1950

Benefits:	
Annual increase gross farm income-----	\$2,368,200
Annual increase in farm costs:	
Farm investment cost-----	9,800
Farm operation cost-----	1,293,600
Total associated costs-----	1,303,400
Annual direct benefit to farmers-----	1,064,800
Annual direct benefit to others (interest and wages)-----	436,500
Total direct annual benefit-----	1,501,300
Indirect annual benefit:	
From farm expenditures (induced)-----	361,300
From processing and marketing (stemming)-----	1,476,200
Total indirect annual benefit-----	1,837,500
Total annual benefits-----	3,338,800
Costs:	
Allocated irrigation investment-----	59,930,000
Annual investment cost (interest at 2½ percent, economic life of 100 years)-----	1,636,800
Annual operation, maintenance and replacement cost-----	76,080
Total annual costs-----	1,712,880
Benefit-cost ratio-----	1.95
Direct benefit to cost ratio-----	0.88

Mr. PROXMIRE. Mr. President, I continue the quotation:

The revision of 1953 resulted in a drop of the direct benefit ratio to 0.73 because construction costs rose by 25 percent while direct benefits rose only 7 percent.

To state it simply, the cost exceeded the benefits by a substantial amount.

On the other hand, indirect benefits were boosted by 50 percent, which left the ratio of all benefits to costs unchanged.

On the basis of our analysis of indirect benefits as a method of project justification we can only conclude that the project does not possess economic soundness. With an assumed economic life of 100 years and an interest rate of 2½ percent, two very liberal figures, the direct benefits are expected to be only 73 percent of the cost under the revised analysis. There will be some genuine indirect benefits from a national point of view, in this case, because it represents a "rescue operation." There are large, sunk investments of resources that are not used to their full potential because of the decline of agriculture induced by the inadequate water supply and there are probably other resources, the productivity of which would rise if the agricultural economy in the area were to resume its development. It is unfortunate that present indirect benefit measures give no clue to the magnitudes of these benefits. But, to justify the project, these indirect benefits would have to be about equal to the direct benefits, which is unlikely. There also remains the unanswered question of the adequacy of the State's future water supply for the development of the oil-shale deposits and for other possible industrialization.

The objections which Mr. Eckstein found with regard to Fryingpan-Arkansas apply with much greater force to the project my amendment would delete from the pending public works bill.

Mr. President, I should like to discuss the financial analysis of these projects in general terms with regard to the Eckstein study. Dr. Eckstein has pointed out—

Federal irrigation projects are usually only authorized if it can be shown that the total revenues which can be collected exceed the total costs, except for the costs allocated to navigation, flood control, or other nonreimbursable purposes. The requirement does not mean that each reimbursable purpose must be financed out of funds received in payment for that purpose; it applies only to the sum of revenues versus total reimbursable costs. Irrigation revenues must be collected in 40 annual payments which need not start till a development period of 10 years has passed.

GENERAL TAXPAYER WILL PAY MOST OF COST

At this point I pause to emphasize once again the fact that an analysis of the Glen Elder project shows that the general taxpayer will have to pay between three-quarters and seven-eighths of the cost of this entire project. A small part of it will be paid by the farmers whose land is irrigated, if they ever consent, which they do not want to do now; and the substantial part, but far less than the general taxpayer would be paying, would be paid by the power users, who would receive absolutely no benefit whatsoever from the project. That is one of the real injustices of the project. Here is a project which does not produce an additional kilowatt of power, and yet we are saying that the users in South Dakota and Nebraska, as well as in Kansas, would have to pay higher rates because they use the waters of this river. They would be required to pay higher rates over a period of 100 years to compensate for the expense.

Continuing to read—

There are a number of reasons which make it impossible for irrigation revenues to be sufficient to meet the cost of irrigation on most Federal projects of recent years. At first glance one might expect that if the benefits exceeded the costs, it should be possible to raise revenues equal to costs, but it is quite obvious that the collection of revenue from those who reap public or indirect benefits would require a form of collection other than the contractual payments of water users. Even direct benefits, which measure the increase in income of the settlers, do not provide a measure of revenue potential since it is impossible to charge a price for water which would leave the incomes of irrigators unchanged. Since one of the main objectives of the program is the creation of new family-farm opportunities and of a new life for relatively poor farmers, payments for irrigation water must be sufficiently low to leave them significantly better off. In accordance with these objectives, the irrigation benefits are spread over many families, each of whom is to enjoy an increase in its standard of living. If we suppose that a typical family's income is raised from \$1,000 to \$4,000 before water charges, payments of more than \$2,000 are hardly possible, which would produce revenues equal to only two-thirds of direct benefit.

The Bureau of Reclamation computes the repayment capacity of a project by subtracting a family living allowance for every family from the net income of the project. This

allowance, which varies from project to project, but which has frequently been set equal to \$2,250, is based on the cost of a certain standard of living. In the example of table 38, direct benefits of \$426,000 produce a repayment capacity of \$277,500, 65 percent of direct benefits.

With the somewhat contradictory objectives of full repayment and of raising living standards for the people on the project, a number of devices have been invented which make it possible to justify projects despite these obstacles. All of these devices are some form of subsidy to irrigation and reduce the amount of repayment which the settlers have to meet.

The original Reclamation Act of 1902 embodied provision for the most important of the subsidies now in use. It called for the repayment of all costs, but did not consider interest to be a cost. This means that the total of the repayments is equal to the money cost, or one-fortieth of the total a year. In fact, there is an interest cost to the country of course—at the least equal to the government bond rate and probably equal to twice that figure, as we saw in chapter IV—

Which I will argue at length a little later.

Continuing to read—

On a typical irrigation project, with a development period of 10 years and repayment in 40 annual installments, the resultant subsidy can easily be estimated. The actual payment under present procedures will be 2½ percent of the investment, which will total 100 percent after 40 years. If the project were to pay its own interest cost at a rate of 2½ percent, including interest during the development period and on the unamortized balance, it would have to pay a total of 5.1 percent for interest and amortization. Thus the payments of the settlers for the investment in the project would double. In terms of present values, if the 40 actual payments of 2½ percent were discounted to the period of construction, they would be worth 49 percent of the actual construction cost. Thus this one element alone leads to a subsidy of half the cost, paid by the Nation's taxpayers for the benefit of the irrigation settlers, even if they meet their repayment schedules, and assuming only a minimal interest rate.

But the subsidy from the taxpayer is often much larger, though the form is more obscure and misleading.

The subsidy from the taxpayer is even much larger than half the total cost, though the form is more obscure and misleading. I have shown, it is three-quarters to seven-eighths.

Continuing to read—

There is a group of subsidies to irrigation, which, at first glance, appears to be paid by the beneficiaries of other purposes, but which in fact is still paid by the taxpayer. Until 1952, these subsidies took the following form: the price of power was set on the basis of cost, including the cost of interest at 3 percent plus repayment over 50 years; but the interest component of the resultant revenues was considered to be helping to repay the construction cost of irrigation. This practice was considered justified by interpreting the provisions of the Reclamation Act of 1902, which freed irrigation projects from interest payments, in such a way that the power features were also part of the irrigation project. The resultant subsidy is quite large; on a typical project, with power investment equal to the irrigation investment, the interest component of the charge for the investment is 49 percent of the total charge for capital; and if all

of it is applied to aid in repayment of an irrigation investment that is not charged interest, it is almost adequate to repay the entire irrigation investment. In fact, power was never assigned more of the irrigation cost than the excess above computed repayment capacity; but for the sixteen projects which include both power and irrigation, \$512 million out of the expected power revenues of \$1,032 million were assigned to the repayment of irrigation costs as of January 1, 1947, which is 50 percent of all power revenues. The formula suggests that it is power revenues which help repay the irrigation cost.

In the case of the Glen Elder project, the power revenues pay approximately 10 percent of the cost of the irrigation portion. The irrigators pay approximately 5 percent of the cost, or less, and I estimate that the general taxpayers pay about 85 percent of the cost. In this case the power users pay, although no power is produced.

In fact, power users pay rates which are designed to do no more than return the power investment with interest; the rates do not include any charge for irrigation repayment. By crediting irrigation with the interest component of power revenues, the total revenues to be received by the Treasury are diminished and this portion of the cost of irrigation is shifted to the general taxpayer.

In 1952, the "interest component formula" was replaced by a new device which appears to answer some of the objections raised against its predecessor, though it is essentially very similar. It was first applied to the Colbran, Colo., project and is known as the "Colbran formula." It provides for repayment of all power costs including interest at 3 percent and of the costs of industrial and municipal water supply with interest at the prevailing long-term Government bond rate. After these purposes have completed their own repayment, the further revenues that they will produce will be applied toward repaying that part of irrigation cost which is beyond the repayment ability of the settlers. The formula limits the repayment period of water supply to 50 years, the same as the usual practice for power. Thus, for the first 50 years of the project's life, no payments are made for irrigation above those of which the settlers are capable.

That is true in the Glen Elder project.

From the sixth decade on, power and water supply will turn over all their revenues, except for small operating expenses, to repay irrigation.

Once again, the impression is created that power will aid irrigation, and that the project as a whole is self-financing. In fact, it is still the taxpayer who can be expected to pay most of the subsidy, the magnitude of which will be little changed. The reasons are not far to seek; in the first place, the size of the total subsidy to irrigation will remain the same since the irrigation payments are still determined by repayment capacity, and nothing else. Second, the subsidy from the failure to charge interest on the irrigation investment is much compounded. If part of the irrigation cost is not repaid for 50 to 100 years, the interest charge which has been shifted to the taxpayer becomes very large.

In this particular case, of the \$17 million irrigation cost, \$13 million is not paid for for 100 years. It may be that three-fourths of this project may not be paid for for another hundred years. That means that the interest amount is perfectly enormous. Calculating that

interest at 4 percent, the interest that will accumulate will be something like \$52 million. Even on a discount basis, it is \$25 or \$30 million.

For every dollar sunk into irrigation which is repaid without interest after 75 years, the taxpayer must make interest payments of 2½ cents a year for 75 years. The present worth of these payments is 84 cents, leaving only 16 cents which could be shifted to other purposes. Whether it will be shifted cannot be discovered for 50 years, but there is good reason to doubt it, for it presupposes that it will be possible to set power rates and rates on water supply in the remote future which will be adequate for this purpose. In the case of power, the rapid rate of technological progress which is driving down the costs of power from alternative sources, which is bringing atomic energy toward competitive levels, and which may make solar energy an economic source, makes lower rates probable. A period of 50 years, which is the basis for repayment of the power investment is already a very optimistic assumption about the competitive position of hydroelectric power based on current design; to stretch the assumption to apply for 80 or 100 years is absurd.

That is exactly the assumption in connection with the proposed project. On the other hand, there is every possibility that 50 years from now, or even 30 years from now, we are likely to be using atomic power, solar power, planetary power, or any number of other power sources. If we think of the vast change in energy sources that we have had in the past 60 years, we realize that there has been a geometric progression of change almost every 5 years in this area. It is perfectly ridiculous to assume that we will have a basis for such payback 100 years from now.

That is exactly what this provision in the bill means. That is what we will be faced with in the future if this part of the bill is approved and if my amendment is rejected.

If it turns out to be impossible to charge the necessary power rates in the first and second decades of the 21st century, the Government will surely lower the rates toward operating costs, and if that proves impossible, it will abandon the power installations altogether. As for municipal water supply, technological progress which would present cheap alternative sources is not as clearly in sight, though controlled rain making would be a step in this direction. The revenues from this source are of a smaller order of magnitude than of power, and it could shoulder no more than a small part of the remaining irrigation cost, even if the users, who are largely municipalities, do not balk at the payments when the time comes. Thus, there will be little choice but to write off any unamortized irrigation investment as a Government loss, unless the contracts with the water users are changed to incorporate a provision extending the period of payments. And even this possibility involves some strong assumptions about the technological progress in agriculture.

Let us contrast the effect of the two formulas. The "interest component formula" results in payment of all irrigation cost above repayment capacity by the taxpayer. The "Collbran formula" results in payment of at least 80 percent of the excess above repayment capacity by the taxpayer, with the remainder paid by power and water supply in the unlikely event that technological progress has not precluded sufficiently high power and water rates for the first decades of the next century.

The effect of the two formulas can be seen

from a study of the financial features of the project discussed earlier, the Fryingpan-Arkansas project, which was first planned with the old formula but was revised to conform to the "Collbran formula" by the Republican administration. Table 43 summarizes the repayment plan as outlined in 1951.

I ask unanimous consent that table 43 be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 43.—Summary of cost and repayment of irrigation investment, Fryingpan-Arkansas project, using "interest component formula" (ignoring interest)

Allocated cost.....	\$59,930,000
Repayment by water users (40 years).....	10,881,690
From power revenue (40 years).....	35,478,000
From municipal water revenue (40 years).....	13,570,400
Total.....	59,930,000

Source: "Report on Fryingpan-Arkansas Project," pp. 13, 34.

Mr. PROXMIRE. Mr. President, to show the actual costs, table 44 gives the division of the burden on the assumption that the Treasury pays interest of 2½ percent and that this cost should be included. The table gives the present values of the series of future payments to be made by the irrigators, and the present value of the extra ½ percent above average Treasury borrowing cost to be paid by the power users. The table does not include the rest of the interest component on power nor any of the 2-percent interest component collected on municipal water supply, since these revenues must be set aside for the payment of interest on the investments for those purposes.

I ask unanimous consent to have table 44 printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 44.—Cost, present value of revenues to be collected to repay irrigation investment, and Federal subsidy on irrigation features of Fryingpan-Arkansas project

[Interest component formula]		
	Amount	Percent
Construction cost.....	\$59,930,000	-----
Payments of irrigators (\$272,040 annually for 40 years).....	6,838,057	11.4
Interest premium on power revenues (estimated to be \$150,000 a year for 40 years).....	4,254,300	7.1
Federal subsidy through absence of interest charge on irrigation and diversion of interest component on power and municipal water supply.....	48,837,643	81.5
Total.....	59,930,000	100.0

NOTE.—The table is computed by discounting the series of payments at 2½ percent to the present. The estimate for the annual value of the extra ½ percent on the power investment is derived by assuming that all of the power facilities are amortized over 50 years and by calculating the difference in the annual interest and amortization charge at the 2 rates. The Federal subsidy is the remainder of the irrigation construction cost.

Mr. PROXMIRE. Mr. President, the interest premium on power revenues, estimated to be \$150,000 a year for 40 years, is \$4,254,300, or 7.1 percent.

The Federal subsidy through the absence of interest charge on irrigation and diversion of interest component on power and municipal water supply is \$48 million, a Federal subsidy of 81.5 percent.

The repayment provisions under the Collbran formula, as proposed by the Department of the Interior in 1953, are summarized in table 45.

I ask unanimous consent to have table 45 printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 45.—Summary of cost and repayment of irrigation, Fryingpan-Arkansas project, using Collbran formula (ignoring interest)

Construction cost, irrigation....	\$75,128,000
Repayment by water users in 69 years.....	42,918,000
By power revenues in years 1953-69.....	25,472,000
By water supply revenues in year 1963-68.....	6,738,000
Total.....	75,128,000

Source: "Report on Frying Pan-Arkansas Project," p. 8.

Mr. PROXMIRE. Mr. President, I continue to read from Dr. Eckstein's article:

There is still no interest charge on the irrigation investment; irrigators are expected to pay \$622,000 a year for 69 years. All the net power revenues from the 53d to the 69th year are applied to irrigation, as well as the revenue from water supply in the 62d to the 69th year. The rates on the latter two purposes are based on full repayment including interest of 2½ percent in 53 years for power and in 63 years for water supply.

I ask unanimous consent to have table 46 printed at this point in the RECORD.

There being no objection, table 46 was ordered to be printed in the RECORD, as follows:

TABLE 46.—Cost, present value of revenues to be collected to repay irrigation investment, and Federal subsidy to irrigation features of Fryingpan-Arkansas project

[Collbran formula]

	Amount	Percent
Construction cost (including interest during construction).....	\$73,271,000	-----
Payments by irrigators.....	20,352,028	26.0
Payments from power revenue.....	5,678,351	7.3
Payments from water supply revenues.....	1,311,627	1.7
Federal subsidy through failure to charge interest.....	50,928,994	65.0
Total.....	78,271,000	100.0

NOTE.—The table has been computed by discounting at 2½ percent the set of payments stated in the project report, "Report on Fryingpan-Arkansas Project," p. 8.

Mr. PROXMIRE. Mr. President, table 46 breaks down the cost by showing the payments by irrigators as 26 percent; payments from power revenues, 7.3 percent; payments from water supply revenues, 1.7 percent, and the Federal subsidy through failure to charge interest, 65 percent. The total payments are shown as \$78,271,000.

I continue to read from Dr. Eckstein's article:

Table 46 shows the actual distribution of the cost, including interest at 2½ percent, discounting all payments to the present. It can be seen from the table that the Federal subsidy will be between 65 and 74 percent, depending on the fulfillment of the revenue expectations on power and water supply in the sixth and seventh decade of the project.

This contrasts with a Federal subsidy of 81 percent under the interest component formula. But the small reduction in the subsidy was purchased at the price of extending the repayment period by 30 years.

The Federal subsidy to irrigation under the two formulas is little influenced by the use of power revenues because the basic rates for power are unaffected at least during the first 50 years of the project. The President's Advisory Committee on Water Resources Policy recommends that excess power revenues be used to repay irrigation if the power is sold within the same area. The Committee sees such excess revenues as a method of taxing indirect beneficiaries. This intention is carried out if power rates are set above power costs from the beginning. In the case of the Upper Colorado River storage project, authorized in 1956, power rates were set in this manner and so one can legitimately speak of power revenues helping to repay irrigation costs.

I ask unanimous consent to have table 47 printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 47.—Summary of repayment analysis of irrigation investment of Colorado River storage project

[Dollar amounts in millions]

Source	Total payments ignoring interest	Present value of total payments ¹	Percent distribution of total payments including interest
Payments of irrigators ²	\$36.6	\$15.2	5.4
Contribution from power revenues ³	246.2	139.7	49.4
Contribution of taxpayers		127.9	45.2
Total	282.8	282.8	100.0

¹ We assume an interest rate of 2½ percent.

² Assumes equal annual payments for 50 years after a development period of 10 years. No specific development period has been authorized as yet but 10 years is the usual figure.

³ Assumes equal payments for 50 years. Since actual power revenues will build up gradually, the contribution from power is overstated slightly.

Source: "Report on Colorado River Storage Project," H. Rept. 1087, 84th Cong., 1st sess. Our analysis assumes that the cost allocation is correct.

Mr. PROXMIRE. I continue to read from Dr. Eckstein's report:

Table 47 summarizes the repayment analysis and recomputes it, including an interest cost charged at 2½ percent. It can be seen that irrigators will pay only 5.4 percent of the irrigation cost if they can meet their contractual charges and that the rest of the cost is divided about evenly between power users who pay rates above power cost and taxpayers who must meet the interest subsidy.

A closely related device for subsidy is the basin account, which has been widely advocated for projects in the Columbia Basin, though not yet written into law, and which has been interpreted to apply to water-resource activities in the Missouri Basin. This device would merge the finances of all projects in the basin. Not only would it make the formulas discussed above apply to the power and irrigation of a project, but it would make it possible to subsidize irrigation anywhere in the basin through diversion of power revenues from any power project in the same basin. It is clear that the basin account multiplies the possibilities of the hidden subsidies which are paid by the taxpayer, besides opening the door to subsidies from strong purposes to weak and from good projects to bad.

This is something which I think I must emphasize. I have said it before, but I think it is very important. I refer to the great disparity between benefit-to-cost ratio now and our restatement of allocation now; because it is abused, because it is deceptive. Because we get a distorted and totally inaccurate and false picture, we have been authorizing and appropriating funds for projects which cannot be justified, and which are economically unsound.

By the same token, we have not been appropriating funds for good, sound projects, projects which can be justified on the basis of economic merit. If we continue to insist on using present standards, it will mean that we will continue to build projects which are not based upon merit, but will build projects on the basis of political pressure—the kind of political pressure which is brought to bear on Senators, Members of the House of Representatives, the administration, the Department of the Interior, and others.

This is a wholly unsatisfactory way in which to proceed. It is grossly unfair to the taxpayer. It is very bad for our country. I think it is a really significant factor in stemming economic growth, because we are not allocating our resources in areas where the resources can be most productive for the public good. It would be different if we were acting on the basis of knowing what we were doing. But the difficulty is that we permit ourselves to be deceived by not insisting on making our own standards and insisting that every project coming before us meet those standards.

It is difficult to approve a project having a .5 benefit. At least I think we should have an idea of what we are doing. But in the present circumstances, the great weakness or disadvantage is that we have no idea of what we are doing.

In the instant case, we have a project which claims a 1.18 benefit-cost ratio. On the basis of any analysis, I submit that that benefit-cost ratio is not justified.

I continue to read from Dr. Eckstein's article:

Finally, the cost allocation procedures which are used to assign the costs of common facilities to the different purposes have served to reduce the total cost of irrigation. Because of the complexity and importance of the cost-allocation problem we shall treat it separately; in the present connection, let it only be pointed out that the "priority of use method" which the Bureau of Reclamation has applied widely in the past but which has now been eliminated, is particularly suitable for lightening the burden on irrigation.

Under this method, different purposes are assigned priorities of use, and the first purpose is allocated all costs necessary for its operation as long as costs do not exceed benefits. The second purpose need only bear the cost of the additional facilities needed, and so on for the third. If a nonreimbursable purpose is assigned priority, total repayment is minimized; if irrigation is the top priority purpose, total repayment is reduced by putting most of the common costs on an interest-free basis.

All of these devices interfere with sound formation of public policy. They mislead the public and the Congress into thinking

that the projects as a whole are self-supporting. By their technical obscurity they hide both the size and the source of the subsidy. They make it impossible for the public and the Congress to see the financial issues clearly, and they prevent a judgment on the question whether irrigation projects are worth the subsidies which they entail.

It would be desirable to change irrigation law to correspond to the actual conditions of project finance. Congress might appropriate funds to build a project, to indicate what share of the cost is to be repaid by irrigators, what share is to be financed out of power revenues, and, finally, what share is to be a subsidy out of general revenues. If the present laws are accepted to be beyond change, the issue could still be made to emerge in its true proportions if the financial analysis of each project report would include figures which indicate the size and the source of the various studies. Such figures might be computed and presented in the manner of tables 46 and 47.

That is exactly what I have done in the case of the Glen Elder project. I have analyzed it and presented it as a part of my original presentation. I have placed in the RECORD an analysis showing the real cost of the Glen Elder project and how much of it—a huge percentage of it—represents a subsidy on the part of the general taxpayer.

Mr. President, one of the best studies which has been made in the field of economic appraisal of reclamation investments made by the Corps of Engineers was made by Dr. Edward Renshaw, in a book entitled "Toward Responsible Government." In his book, Dr. Renshaw stated:

In discussing public investment in agricultural land, one naturally has a tendency to think first of the investments made by the Bureau of Reclamation. Of all the public agencies responsible for developing our agricultural land resources via reclamation, the Bureau stands in the fore, subjected to the praise of the ardent reclamationist who has visions of oases in the desert and to the criticism of the antireclamationist who recognizes the contemporary public investment in irrigation cannot be justified on the basis of increments to irrigated land and water values exceeding the social cost of land development. While a great deal has been said both for and against the reclamation movement of the Bureau, very little attention has been paid to the land investment activities of the Corps of Engineers in connection with its main stream flood control program.

In point of fact, expenditures by the Corps of Engineers for the reclamation of agricultural land may have already exceeded expenditures by the Bureau of Reclamation. During the period 1929–54 the Corps of Engineers spent, in the name of flood control, a total of 4,913 million constant dollars (1947–49 equals 100).

That amount would be a great deal more if stated in terms of the present value of dollars.

I read further:

According to the Hoover Commission Task Group Report on Flood Control, only about 61 percent of this figure, or \$2,988 million, should properly be allocated to flood control measures; the residual should be allocated to power generation and other multipurpose aspects of the overall program. Leopold and Maddock in analyzing the 1951 Report of the Chief of Engineers have concluded that roughly 60 percent of the damage alleged to be prevented by the general program of the Corps of Engineers would have fallen to urban or industrial areas, and about 40 per-

cent to agricultural land. A 40-percent damage allocation to agriculture checks out rather well with actual flood damage estimates prepared by the Weather Bureau. An approximate estimate of the corps' expenditures for reclamation can now be arrived at by reducing net flood control expenditures by 60 percent, leaving us with an estimate of \$1,195 million for land reclamation within a 26-year period.

Donald S. Green has estimated that the Bureau of Reclamation during the much longer period 1900-54 has spent in comparable constant dollars only \$974 million; as of 1954, reclamation expenditures of the Corps of Engineers may have exceeded expenditures of the Bureau of Reclamation by more than 22.7 percent.

Some idea of the aggregative importance of a land investment of \$1,195 million can be arrived at by comparing it with the aggregate value of farm property in the United States. In 1948, the Department of Agriculture assessed the value of land and buildings in farms at \$73,907 million. As a first approximation, historical expenditures by the Corps of Engineers for purposes of flood prevention on agricultural lands can be looked upon as equivalent to 1½ percent of the aggregate fixed investment in agriculture. If the corps 1948 estimate of the ultimate cost of flood prevention (alone) is ever realized, the ratio of corps expenditures to aggregate land investment will surely increase. At that time (before the disastrous Kansas City flood of 1951) the corps visualized an ultimate expenditure, including projects not yet authorized, of \$12,300 million. Forty percent of this figure would imply an ultimate reclamation investment of \$4,920 million; in terms of January 1957, prices, this figure would amount to \$5,509 million.

From the point of view of optimal resource allocation, the important question is, Are expenditures of this order of magnitude justified in the sense that net benefits can reasonably be expected to equal or exceed costs?

Mr. President, I am referring to an area of spending which constitutes a very large proportion of all the nondefense spending engaged in by our Government. Yet I submit that one could count on the fingers of one hand the number of speeches made and the time which has been devoted and the interest which has been shown in analyzing or understanding the basis for these expenditures. This is an enormous allocation of the Nation's resources. Billions of dollars are involved. Yet this aspect has been entirely overlooked. As I say, this is nondefense spending.

Apparently the difficulty is that many persons seem to feel that if Congress is given the facts, there will not be any more reclamation projects. Many persons apparently feel that if the total story is told in terms of all of the interest cost and in terms of the full cost in view of the effect on the farm program, and if the taxpayers become fully cognizant of the costs of the program, they will not approve of any further reclamation projects. I do not so contend; and that is not my purpose this evening. But I am pleading for information, so that we can make our decision based on a full understanding of the facts, so that we will not insist on going into this situation with one eye closed and with the other eye partially blinded. What is wrong with knowing what one is doing? If my remarks this afternoon and this evening have any theme, it is that it

does not be ignorant. I am convinced that if Congress insists on getting the facts in regard to this situation, the hundreds of millions of dollars which we spend on this program every year and the many billions of dollars which we spend in the course of a generation will be spent far more wisely. Of course it is perfectly possible that we would spend less. That would be a tragedy. But it is also possible that we might reduce taxes, and thus reduce the terrific tax burden on the American people. What would be wrong with that? But such a choice, based on a knowledge of the facts, should be available to Congress.

However, the terrible tragedy is that we make our decisions based on figures which cannot be justified, and which are actually untrue and incorrect. When we are told that a particular project has a certain benefit-to-cost ratio—for example, in the case of the Glen Elder project, 1.08; and in the case of some other project, perhaps 1.3; and in the case of another project, perhaps 1.4—we find that those are not figures on which we can rely. Yet Senators assume that they can rely on such figures.

I submit that expenditures of billions of dollars of the taxpayers' money have been made on the assumption that the benefit-cost ratio figures are accurate and can be relied upon. I have tried to show, this afternoon and this evening, that we cannot rely on them, and that if we have any self-respect and any sense of responsibility to the taxpayers we must insist on obtaining figures on the benefit-cost ratio which are correct and honest and in accordance with the facts.

Dr. Renshaw further states:

Critics of Federal participation in flood control have from time to time alleged that certain flood control measures such as reservoirs cover more land than they protect. If it could be demonstrated that the net increase in agricultural product accruing to protected land has been offset by decreases in agricultural product on land inundated by reservoirs and subjected to restricted use because of other flood control features, then the entire cost of constructing flood control works should properly be allocated to urban and industrial protection. The corps would be in error if it assigned to the act of flood control improvement agricultural benefits that were not offset by agricultural costs.

The empirical case for an offsetting of agricultural benefits from flood control investment rests essentially on influences that are drawn from the following data: The land requirement for the civil works program completed or under construction in 1951 totaled some 6,740,000 acres. Of this total, about 5 million acres were for flood control improvements such as reservoirs and floodways. The rural area protected or to be protected by works completed or under construction at the end of the fiscal year 1950 totaled about 33,200,000 acres, of which almost 80 percent is considered suitable for agricultural use (a smaller portion of the 5 million acres of land utilized for flood control, according to the corps, is suitable for agricultural use).

Much of the 32,200,000 acres protected or to be protected was subject to levee protection for which lands were furnished by local interests. Consequently, the area protected is not comparable to the 5 million acres acquired for reservoirs and floodways. If all

of the 20,300,000 acres protected by flood control works in the alluvial valley of the Mississippi are deducted as representing lands protected by levees, there would remain only some 12,900,000 acres to be compared with the 5 million acres.

The chief difficulty in making a straightforward comparison of acreages is that an acre inundated all or part of a year is not comparable to an acre subject only to the probability of inundation. A straightforward comparison of acreages is further complicated by the fact that the land inundated by reservoirs may be geographically removed from the land protected, thus permitting a whole host of economic, climatic, soil, and other factors affecting the productivity of agricultural land to vary. Finally, one must question the existence of a unique correlation between flooding and agricultural damage. Evidence exists to indicate that in some areas an occasional flooding of agricultural land may in the net be more beneficial than harmful; the distribution of fresh top soil and moisture sometimes acts to increase yields more than flooding acts to destroy them.

Owing to the incomparability of acreages protected and acreages shifted to less productive agricultural uses, a more fruitful approach to the estimation of agricultural benefits would be in terms of assessing the net increase in agricultural land values attributable to public investment in flood control improvements. In this connection it should be emphasized that the estimated aggregated increases in agricultural land values which follow are gross estimates. No attempt has been made to subtract from the land alleged to be reclaimed, the value of lands put to an inferior agricultural use. Further, no attempt has been made to subtract out of total land and building value, the value of private investment in buildings and land developments such as clearing and drainage.

Use of a gross rather than net agricultural benefit has the effect of biasing upward, in a manner favorable to public investment in flood control, the resulting benefit-cost ratios, and of biasing downward, also in a favorable manner, the social wealth loss associated with reclamation investment.

In 1951 the Chief of Engineers alleged that the improvement in agricultural production resulting from flood control was equivalent to the reclamation of 8 million acres of land. This figure seems rather high since projects completed or in operation were to have protected only about 17 million acres to the degree that allows agricultural use of the land to the fullest extent possible. Accepting the proposition, however, that 8 million acres of new land equivalent have in effect been made out of the original 17 million acres, the question arises as to what the reclaimed acres are equivalent in dollars and cents. Assuming the reclaimed acre is equivalent to an average acre in farms in 1949, it would have had a gross land and building value of \$65 per acre according to the Census of Agriculture. A higher average value of land and buildings per acre is obtained by taking a sample of 40 counties and parishes adjacent to the lower Mississippi River in the States of Missouri, Arkansas, Mississippi, and Louisiana. This average for the year 1949 was \$95.34 per acre.

I emphasize at this point, Mr. President, how utterly ridiculous this all is. We are talking about bringing in 8 million acres of new land. It would all be calculated as a benefit. At the same time we are trying our level best to take millions of acres of land out of production at very heavy cost. How heavy the cost is is illustrated by the figures used in this article. Renshaw talks about \$95 an acre being the value of good land, and \$65 as being the value of the less valu-

able land. A calculation made by a former distinguished Secretary of Agriculture, now the Senator from New Mexico [Mr. ANDERSON], was that the payments to take land out of production constituted \$100 an acre for 1 year. The whole value of this land is \$95 an acre. So the Government is spending \$100 a year an acre to take land out of production. It is costing about \$1,500 an acre to bring other land into production, when the value of good land in Missouri, Arkansas, Mississippi, and Louisiana was estimated only a few years ago to be \$95 an acre. Talk about Alice in Wonderland.

I continue to read from the article:

The sample average for 40 counties and parishes along the lower Mississippi may have particular relevance since 84 percent of the damage which the corps claims to have prevented would have occurred in the alluvial valley of the Mississippi. Approximately 75 percent of the total estimated benefits from flood control on the lower Mississippi are alleged to be agricultural.

Superimposing the value of the 8 million acres reclaimed (as measured by the two estimates of gross land value) over the original flood control cost allocation to reclamation (\$1,195 million), one obtains crude benefit-cost ratios of 0.43 and 0.64, respectively. The agricultural reclamation phase of the Corps of Engineers flood control program does not appear to be justified on the basis that realized benefits have exceeded realized costs.

A lower limit to the misallocation of agricultural resources due to flood control activities of the corps might now be obtained by subtracting from our original cost allocation the highest estimate of the value of reclaimed land (8 million acres times \$53.4 per acre). The resulting limit is \$432,700,000. As a minimum, the probable social loss associated with the overall agricultural flood protection program has been not less than 14 percent of the total Federal cost involved in constructing the engineering works and improvements for flood control purposes, and not less than 36 percent of the portion of total costs which has been allocated to the agricultural phase of the total program in this paper.

2. THE RELATION OF FLOOD CONTROL BENEFITS TO LAND VALUES AT THE PROJECT LEVEL

Fred Clarenbach, of the University of Wisconsin, has compared, at the project level, estimates of agricultural benefits from flood control made by the Corps of Engineers with benefit estimates based upon capitalized increments to land values. In general, Clarenbach concludes that the procedures used by the corps to estimate agricultural benefits result in a heavy overestimation of both experienced direct crop losses prevented and land enhancement benefits. The analysis from which these conclusions were drawn will be briefly presented in relation to a specific project.

Mr. Clarenbach, of the University of Wisconsin, is another authority in a line of competent, objective, proficient experts who have studied the field, and who uniformly agree, without exception, that the benefit is overstated and the costs are not wholly included. There is no analysis on the other side of the question. If there is, I shall be delighted to hear it and put it in the RECORD and shall be very happy to consider it. But we have looked hard and we find that the scholars of the high caliber of Otto Eckstein and many others whom I am quoting, who have studied this question

very carefully, and, incidentally, very practically, agree uniformly that the present analysis of arriving at the benefits is deceptive.

Here is an example that Mr. Clarenbach uses:

On a select reach of the Verdigris River from Toronto Dam site to upper limits of Neodesha Reservoir, Woodson County, Kans., for instance, the Corps estimated total direct flood damage to average \$7.84 per acre annually. The average return to this same land in a flood-free year, according to Clarenbach is only \$8.28. The residual \$0.44 per acre could hardly support the then current market land value of \$94 per acre.

Obviously, something was wrong.

If the expected net returns from land subject to flooding were capitalized at 5 percent (this rate of discount is probably on the low side), a more plausible estimate of the average net return to land would be \$4.70 per acre rather than \$0.44. The net return in a flood-free year (\$8.28), minus the expected average return allowing for floods (\$4.70), would leave a plausible damage estimate of \$3.58 per acre. The corps estimate of damage (\$7.84) is 119 percent greater than the damage estimate based upon capitalized land values.

In addition to the damage benefit, a land enhancement benefit of \$6.29 per acre was claimed for certain acreages under the assumption that flood-free land would be put to a higher alternative use. The inconsistency of the corps technique for estimating benefits is rather amply brought out by Clarenbach in commenting, "While the annual enhancement in earning power is said to be \$6.29 an acre, an appraised value analysis on the same real estate worksheets results in an estimate that the capital value of the land would increase by only \$18.80 an acre. If this latter result is assumed to be correct, then the annual enhancement should be only approximately 94 cents an acre—not \$6.29." The corps estimate of the annual enhancement benefit is 569 percent greater than a plausible estimate based upon a 5-percent return to the appraised increase in land value.

Clarenbach goes on to conclude:

"Thus, if the claimed net benefits to agricultural land so far considered were reflected in capital value, that value would be a little over \$300 instead of the Corps of Engineers 'after' estimate of \$99.77. The major cause of the inconsistency can hardly be other than heavy overestimation of both 'experienced direct crop losses prevented' and 'land enhancement.'"

By way of summary, the following points stand out. In terms of aggregate expenditures, reclamation activities of the Corps of Engineers equal or exceed activities of the Bureau of Reclamation. Aggregate benefits based upon increments to agricultural land values have not exceeded the cost allocation that is derived from a straightforward distribution of total costs in proportion to alleged damage prevented. The procedures used by the corps to estimate agricultural benefits from flood control improvements result in a substantial overestimation of the true benefit.

In view of the wealth loss associated with the heavily subsidized reclamation program of the Corps of Engineers and the marginal nature of investments not yet started and to be completed, it does not appear that the agricultural phase of the corps flood control program can be justified under existing law which states that benefits must exceed costs. Since agricultural damage prevented constitutes roughly 40 percent of all damage expected to be prevented by the overall flood control program of the Corps of Engineers, one is led to wonder whether in fact the

overall program can be justified on the basis of nonagricultural damage prevented.

Mr. President, exactly as the irrigation program does not give consideration to the effects on cost of the farm program, so the flood control program gives no consideration to the effects on cost of the farm program.

One of the best years the Florida fruit farmers have ever had was the year when the crop was damaged in what seemed to be a disastrous way by a frost. The frost was very serious. It reduced the amount of Florida farm production very greatly. Yet that was one of the best income years the Florida farmers ever had.

How do we explain that? We explain it by the fact that our farmers are plagued with overproduction. What nature does, occasionally, which helps the farmers, is to cut down production. What happened, of course, was that the farmers were able to obtain two or three, or even four times as much for their fruit, and even their vegetables, when the frost hit, so although their production might have been cut down one-quarter, or one-third and in some cases some farmers had their entire crops wiped out, and those farmers did nothing but suffer—the farmers in the aggregate had an increase in income, and the aggregate income gave them one of the best years they had ever had.

This is a fact of life, so far as the farmers are concerned, with respect to all crops today. When we stop the forces of nature with regard to floods, in some cases we prevent the natural correction of overproduction. A flood is not always a certain loss of income for the farmers. It gives the farmer a kind of natural production control system. Of course, it also greatly relieves the Government from buying surpluses, because surpluses are not produced when land is flooded out.

Obviously, I am not making an argument in favor of floods, nor am I making an argument against flood control. If we are to be realistic, if we are to know what we are doing, we should have all the facts. We do not have all the facts in making the decisions we are required to make.

We always seem to totally ignore the biggest farm fact of life in America, which is that there are immense farm surpluses, and these surpluses are costly to the taxpayers. We ignore that fact. When we ignore that fact in determining whether we should construct a flood control project or an irrigation project we come to a conclusion which would not be warranted if we were to consider all the facts, including the prime fact that we are producing surpluses on the farms.

I should like to quote rather briefly from Mr. Renshaw's discussion of the "Secondary and Public Benefits From Public Investment in Irrigation."

Mr. Renshaw attempts to analyze the various studies purporting to measure the quantitative magnitude of secondary benefits. These benefits, incidentally, were discussed by me a few minutes ago when I read the brilliant paper by Dr. Otto Eckstein in which he analyzed the

benefits. Mr. Renshaw has another view:

These benefits are presumed to accrue to individuals other than the owners of agricultural land and to the community. From a national point of view, secondary benefits should only be considered in determining the economic justification of a project receiving a Federal subsidy when there is sufficient evidence to indicate that their magnitude is relatively greater with respect to the project under consideration than for alternative investments.

From the point of view of the Nation as a whole, many of the benefits alleged to accrue in secondary activities merely constitute diversions of income from one region or activity to another. Assuming that secondary benefits are the same for all uses of resources and that prices reflect the economic value of marginal opportunities foregone, the secondary benefits foregone as a result of a marginal irrigation project, would exactly equal the secondary benefits generated by the project. A project with a benefit-cost ratio of 1.0 would yield no net secondary benefits; a project with a benefit-cost ratio less than unity would cause a net loss of secondary benefits, and a project with a ratio higher than unity would generate positive secondary benefits. Unless it can be demonstrated that secondary benefits are greater per dollar invested in irrigation as opposed to dollars invested elsewhere, it would be inappropriate to use them to push a benefit-cost ratio above unity or to make a marginal project appear justified in the sense that benefits equal or exceed costs.

Perhaps the most plausible empirical case ever established for the existence of net secondary benefits from public investment in irrigation was presented by H. E. Selby.

"It appears, then, that a measure of at least a large part of the indirect benefit from irrigation development that arises locally from increased volume of business may be increment in property value. Increased profits that result would be largely reflected in increased value of the site or in the franchise of the business. Even if there were no increased entrepreneurial or labor returns over those received if the project were not built, the additional land used for business and residential purposes would increase in value."

Using changes in assessed valuation of real estate outside of municipalities, excluding utilities, as compared with assessed value of all real estate owned by utilities and real estate inside municipalities, Selby concluded that with future increases in the value of farmland at least a 25-percent increase in value will accrue to the owners of nonfarm real estate.

The crucial factor overlooked in Selby's study is that there are production costs associated with urban land utilization. According to land economists these include: (1) clearing, draining, filling, and grading; (2) interest; (3) miscellaneous costs, including sales commissions, abstract charges, title insurance, and the like; and (4) losses unavoidable incurred when the land is not in its highest and best use. Table 16 summarizes an attempt to measure production costs associated with the development of Sunnyside Gardens, Long Island.

Mr. President, I ask unanimous consent that a table entitled "Table 16" be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 16.—Costs assignable to land up to time of construction, Sunnyside Gardens, Long Island, 1924–28

Land.....	\$859,581
Interest on capital at 6 percent.....	102,493
Taxes.....	43,302
Interest on taxes.....	4,991
Public improvements (sewers, curbs, sidewalks).....	376,145
Interest on public improvements.....	7,485
Total.....	\$1,393,997

Mr. PROXMIRE. The table shows the cost assignable to land up to the time of the construction of Sunnyside Gardens, Long Island, 1924–28.

Sunnyside Gardens embraces an area of 55.82 acres in the first ward of the Borough of Queens, New York City. It was developed during the 5-year period 1924–28 by the City Housing Corp., a limited dividend company which was formed for purposes of erecting low-priced homes and construction experiments in the housing field. The costs incurred by City Housing Corp. in changing Sunnyside Gardens from agricultural to urban use were characterized as being "extremely low" owing to three factors: (1) low purchase cost, (2) rapid construction and sale of properties, and (3) careful planning of public improvements. Nevertheless, production costs amounted to 62 percent of the original cost of land. In view of all the hidden development costs associated with urban land development, Selby's 25-percent inflation of urban land values relative to agricultural land value may represent only the reasonable cost of land improvement.

The moral Tough draws from her study of Sunnyside Gardens is that holding land for an increase in value has appealed to a large number of investors. Too often the fact that direct and indirect costs accumulate year after year is overlooked. Thus when the land is sold the difference between selling price and first cost is called an increment in value without sufficient weight being attached to production costs of land. It is apparent from this discussion that these latter costs may accumulate so rapidly as not only to absorb all increment but to produce a decrement.

Assuming however that there are certain windfall gains to urban property owners as a result of investment in basic industries, it is only fair to ask if these gains are commensurably larger with respect to irrigation in the West than, say, steel investment in Chicago. It should be noted that tremendous difficulties present themselves in any endeavor to measure such gains—even gross gains of the sort Selby refers to are hard to measure owing to data imperfections and historical mistakes of both a public and private character.

The urban land market is apparently quite sensitive to inflation, depression, and expectations of future population increases; any direct comparison across regions may be unduly influenced by differences in expectations.

With these qualifications in mind, it is interesting to note that the aggregate value of the 211 square miles of land (excluding buildings) in the 1933 corporate limits of Chicago increased from \$125 million in 1856 to \$5 billion in 1926. In constant dollars (1913=100) the increase in land values amounted to \$2,762 million. In this same period the cumulative annual value of new construction (all buildings) was \$3,360,529,000 in comparable constant dollars. As-

suming that construction (at least that part of total construction which is nonresidential) is the instrumental investment variable determining urban land values, one can associate an 82-percent increase in urban land value with every dollar spent in constructing new buildings in the city of Chicago during this period. This factor (82 percent) is considerably higher than Selby's 25 percent increase associated with increases in agricultural land values.

Aside from the discretion involved in selecting a particular investment variable as being instrumental in effecting increases in urban land values, there exists the real possibility that the net increase in urban land value can be attributed to the fact that as other forms of aggregate wealth have increased relative to the nominal stock of land, there has been a general tendency to value more dearly nominal units of land for site purposes. If the relative rise in land values has been general, it would be folly to attribute it to a specific kind of investment. The point of this analysis is that if anything can be drawn from a comparison of rent increases associated with capital investment, there exists an empirical possibility that property rents are increased most by investment outside the agricultural sector.

Mr. President, I now turn to a factor which is immensely important in this whole area namely water supply. I refer to an article by J. Milliman, DeHaven, and Hirshleifer. The article states:

CURRENT PRACTICES EVALUATED

In turning to an evaluation of current practices with regard to investment in additional water supplies, we find ourselves on territory that has been exhaustively worked over by others. In fact, an enormous literature already exists on the major topics we will discuss in this section: cost-benefit criteria, secondary benefits, and the correct discounting rate. In our discussion we will center upon the recommendations made in McKean's work, while as the guide to best existing practices we will use the so-called Green Book. As it happens, the latter tends to approach what we would regard as economic rationality much more closely than does actual practice, the report being itself an attempt to establish a norm for practice which has never been wholly adopted by the action agencies. On the recommendations side we shall at times mention the work of other analysts, particularly Eckstein, Krutilla and Eckstein, and Margolis. On the practical side we shall refer primarily to the Bureau of Reclamation in the Department of the Interior.

1. FINANCIAL FEASIBILITY VERSUS ECONOMICS FEASIBILITY

Most of the policy issues in connection with water-resource developments turn upon the distinction between financial feasibility and economic feasibility. Since these terms have not been entirely consistently used in either the official or the critical literature, we shall employ commonsense definitions of our own in order to expose the essential disagreements. By "financial feasibility" we mean what is sometimes known as the "selfliquidating" character of a project—a financially feasible project generates revenues that suffice to cover all costs, including interest on funds borrowed to finance the project. Or, using our discounting formula above, for a financially feasible project V_0 must equal or exceed zero, counting capital outlays as costs and monetary receipts as incomes of the appro-

priate years, all being discounted at that rate of interest at which the funds required are actually obtained. By "economic feasibility" we mean that the economic valuation of the "benefits," to whomever they accrue, exceeds the economic valuation of the "costs," to whomever they accrue. Here V_0 must again be nonnegative, but the valuation placed on costs and benefits may diverge from actual monetary outlays and receipts, and the discount rate may diverge from the actual borrowing rate. Just how the economically relevant measures of benefits, costs, and discount rate may diverge from the monetary or market measures is a question we will take up in detail below.

As defined by us, a calculation of financial feasibility is essentially what every private investor makes in deciding whether to undertake a project with his own or with borrowed capital. Most of the criticisms that have been levied against the use of this criterion for public decisions have been based upon a showing that it is appropriate for Government in its decisions to take into account certain real or alleged costs and benefits that would not enter into the calculations of private investors; for example, the fact that the product may be worth more to society than the monetary revenues received for it, that employment may be generated by the investment, or on the other hand, that losses are imposed upon the owners of competing facilities, etc. As an illustration of this line of thinking:

Financial feasibility has been urged by some as the determining factor in evaluation, that is, they believe that all water resources projects should be self-liquidating. This view implies that Federal agencies should seek out sound business opportunities wherever they may be found in the water resources field.

I wish to make clear that I am not urging that. That is not my position. I do not say that we must insist upon self-liquidating projects. What I am saying is that we should evaluate the projects by insisting on getting all the facts and knowing what we are doing.

We should take into consideration the entire farm program. We should take into consideration the interest costs. I mean all of them, of course. We should do all that and then make our decision based on what the total picture shows.

I continue reading from the article:

The basic fallacy in such reasoning is that it seeks to transfer to public investments the limitations common to private investments. The Federal Government seeks to conserve and develop the Nation's natural resources for the general welfare and not for profit. Hence, financial feasibility is not the same as economic feasibility. Financial costs and returns should be considered in analysis, but financial feasibility alone should not determine the desirability of a program or project. For this reason the Commission is recommending that Congress eliminate the requirement that irrigation projects show financial feasibility.

NEED FOR CONGRESS TO CONSIDER ALL FACTS IN DETERMINATION OF BENEFIT-COST RATIO

This is the recommendation in the report of the President's Water Resources Policy Commission. We should recognize that fact. I am a cosponsor, with the Senator from Illinois [Mr. DOUGLAS], of the "truth in lending bill." What that provides is that those selling on the installment basis should let the buyer know what the interest cost is of what he is buying. We have held extensive hearings over a period of years, and these hearings have shown that when the typical buyer

goes to buy an automobile, and he buys it on time, he pays from 12 percent to 15 percent interest. When he goes to patronize Sears, Roebuck & Co. or any other large mail order house or a large store of that kind, to buy on time, the interest is about 18 percent. When he purchases furniture from a high-pressure furniture retailer, the interest rate that he pays, as shown by a careful study that we have made, is likely to be close to 60 percent.

Many people feel that there are usurious rates, and are immoral. All we want to do is to let the buyer know what he is paying, and know what interest he is paying. If he understands the interest cost, and chooses, in spite of that high cost, to spend his money, I think it is his business.

This is exactly, precisely, what I am arguing for here. I am not saying that we should reject all projects which are unable to show a favorable benefit-cost ratio. We should get a benefit-cost ratio which tells us what the facts are, so we can make our decision based on our knowledge of what we are doing:

This argument implies that financial feasibility is too narrow a criterion. There is at least one respect in which it might be considered too lax, however, as compared with economic feasibility. This turns upon the Government's power to borrow more cheaply than private investors, which at least suggests the possibility that funds are being used for projects that are less productive than alternatives being forgone for lack of funds in the private sector.

This is one point that had not occurred to me before. This is a point that I have not stressed. This adds weight to my argument that the full cost of the money to the Government should be included in determining what the benefit-cost ratio is. The full cost of the money to the Government should be calculated and included in letting us know what the subsidy amounts to.

The point made here is that the Government is in an advantageous position to borrow money more cheaply than a private investor can. This, it seems to me, adds great strength to my argument that in appraising these projects we should insist on including the real cost, the actual cost of the money to the Government. This we do not do.

At the present time, in every program that is included in the public works program which is now pending in the bill before us, the 2.5-percent interest factor is used. The Government has to pay 4 percent, on the average, for its money at the present time. This 4 percent is much lower than any nongovernment source has to pay for its money.

2. COST-BENEFIT ANALYSIS AND EXTRAFINANCIAL CONSIDERATIONS

The distinction usually made between financial feasibility and economic feasibility is that the former fails to take account of certain economic values which are not shown in the financial accounts of the agency responsible for the decision. We will consider in this section several possible divergences between the financial accounts and the real economic costs and benefits.

(a) Consumers' surplus: It will often be the case that construction of a water supply project will necessarily be highly indivisible, meaning that, if any more water is to be

provided at all, a large increment of supply must be constructed. As an example, an irrigation project will open to a humid type of cultivation a region not farmed at all before or else farmed only under extremely arid conditions. In such circumstances it might well be the case that the market revenues from water sales fall far short of the real value of the water. The reason, discussed in detail in appendix A to chapter III, is that, if water is sold freely on the market, consumers will take just so much as to bring their marginal value in use down to the market price. But the aggregate value in use to the consumers includes the value in use they derive from the earlier units, which will be at least as great and may well be considerably greater than the value of the last unit. Thus it has been estimated that the aggregate value of water to be provided by the Ainsworth Project in Nebraska is \$679,550 annually, or something over \$10 per acre-foot, while the marginal value of the last unit provided farmers is in the neighborhood of \$3 per acre-foot. Using a different example, water in a certain area may be freely available at \$50 an acre-foot, which then is also the measure of its marginal value in use. If a certain project makes a large new supply available which is sold at \$10 an acre-foot, the marginal value in use of the water will decline until the \$10 level is reached, since it is now worthwhile for consumers to apply water less frugally and to less vital uses. The aggregate value of the increment of water is measured not by the quantity supplied times \$10 but by the quantity times some average value which lies between \$50 (the value of the first small increment) and \$10 (the value of the last small increment).

The practical significance of this consideration is that private enterprise would be led to take too conservative a view of the benefits where important indivisibilities exist and that public enterprise (if rationally conducted) should count also the consumers' surplus—the aggregate value to consumers over and above the market value—of the water received.

I believe the distinction between private enterprise and public enterprise is very important. Obviously, if we insist on financial feasibility to the ultimate, and that we should not engage in any irrigation project or flood control project unless the benefits received match the costs in full, it would probably mean in general that the Government would be doing no more than private enterprise would be doing, and not as well. It would certainly not improve some areas that need improvement.

If we had applied that principle to the Rural Electrification Administration, it would have meant that we would not have engaged in the REA. Many farms would still be without electricity. It is a well-known fact that before the Rural Electrification Administration, and until Government financing on the basis of subsidized interest were brought into play, only 1 farm in 10 in America had electricity.

Within less than 20 years after REA was established, more than 9 farms in 10 had electricity. Today 95 out of 100 farms have electricity. This has been highly beneficial, not only to the farmers who are involved, but to the country, for many reasons.

We would not have gotten it if we had had to use public enterprise, except to supplement our great public enterprise opportunities. I recognize that. All I am insisting on—and I stress it once

more—is that I think we ought to know what we are doing. We do not know what we are doing in the public enterprise system if we do not include all the costs. I submit, argue, and contend, once again, that we are not including all the costs.

I continue to read:

The limiting condition (indivisibility) is quite important and by no means applies in all contexts. Construction of a large dam and aqueduct, of course, could not be justified unless a rather substantial increment of water were to be provided. Increments of water provided through pumping or diversion, however, frequently are insufficient to drastically affect marginal values in use for water.

It must not be forgotten that an upper limit as well as a lower limit can be placed on the benefits; in no case are they greater on a per-unit basis than the previous price being paid for the water applied. (If, as will normally be the case, construction for the future is involved, the previous price must be interpreted as the price that would have been effective if the additional supply were not provided.) We emphasize this because, in evaluating projects, quite commonly the market value of the water will be computed, after which there will be rather grand talk about "intangibles" or "development benefits." These supposed benefits may or may not exist, but, if the extrafinancial values of indivisible supplies from large water projects can at least be bracketed between certain limits, this may suffice to answer the relevant questions of desirability. A more direct estimate of the aggregate value in use might be based upon a total monetary comparison of the consumers' well-being before the project and after, over and above the amount paid out to the water-supplying agency. This in fact is the procedure used by the Bureau of Reclamation in evaluating the benefits of irrigation projects (the benefit in question comes under the heading of direct farm benefits, not secondary benefits). By way of contrast, the "Green Book" definition of benefits is too conservative, omitting the consumers' surplus factor from both primary and secondary benefits.

(b) "Secondary benefits": In current discussions it is usual to divide the benefits of projects into primary and secondary, or sometimes direct and indirect. We shall define primary benefits as the net value of the increase in production of outputs associated with the project. If instead of the net value of the products we use the implied or derived value of the water, the corresponding quantity is the aggregate value in use of the water; the surplus of this aggregate value over the market value of the water is then a primary benefit, as argued in the section above.

We discussed at some length earlier the problem of spillover effects of private activities, an idea closely related to the concept of secondary benefits. Spillovers are the costs and benefits imposed upon or received by others as a consequence of private actions but not normally taken into consideration in private decisions. Sometimes they are spoken of as divergences between private and social costs (or benefits). For public projects there will similarly be spillover costs and benefits, and the question arises as to whether or not they should be considered in Government investment decisions. Our conclusion earlier was that technological spillover (those involving real increases or decreases in productivity outside the project) should be considered if we are concerned with maximizing the real national product. For example, the creation of drainage problems on land near a reservoir is a cost that should be considered, while the provision of

flood control downstream of a dam is a benefit that should be considered even if the dam were constructed solely for the purpose of water supply. On the other hand, purely pecuniary spillovers (those involving increases or decreases in capital values or incomes solely because of the competitive effect of the facilities constructed) should not be considered on efficiency grounds, although they involve definite distribution effects. This is not to say that such losses should not be compensated or that reimbursement should not be sought for such benefits but only that, whether they should or should not, the benefits or losses do not enter into the efficiency calculations. A pecuniary spillover benefit to labor occurs, for example, when the establishment of an irrigation project increases the price of labor in a nearby town; on the other hand, if the project produces watermelons in sufficient quantity to drive down their price, competing watermelon farmers suffer a pecuniary spillover loss.

That pecuniary spillover loss is very common in this kind of activity. The pecuniary spillover loss for this particular project is one that applies not simply to the other farmers who produce the same kind of food as is produced in this area, but applies to the taxpayer who is going to have to pay an additional cost to take that much more land out of surplus production.

I continue to read:

Actual rules of practice are not entirely clear on the matter of technological spillovers, which have not been emphasized much in the "secondary benefit" discussion. The "Green Book" does have a discussion indicating that technological "consequential damages" should be considered, but this is accompanied by remarks indicating that such damages can be offset by certain benefits that may be pecuniary in nature. There is no discussion of technological spillover benefits, but, knowing the facts of life, we can perhaps be reasonably confident that the interests pushing projects will not fail to claim such benefits as "multipurpose" aspects of the project.

One type of spillover often emphasized involves a "secondary" surplus to processors or consumers of the product somewhat analogous to the "primary" surplus considered earlier of aggregate value in use over market value of the water itself. Consider the case where the increased wheat production associated with a project drives down the nationwide price of wheat from \$2.10 to \$2 a bushel. The pecuniary spillover loss to competing wheat farmers because of the fall in price of wheat should not, we have argued, be considered as a real loss to the Nation, and, in fact, it is not so considered in official practice. On the other hand, the "Green Book" lists the same fall in price as a benefit to secondary activities like the milling of flour. Similarly, any project effect in driving up the wage rate in an area is considered not as a spillover cost to non-project employers but as a benefit to labor. Clearly, these effects, while pecuniary in any case, cancel each other out.

The fact is that the additional production of feed grain on this particular project would not cause a drop in the price of feed grain, either in 1963 or in 1964, or in any year up to the end of the project, or at the end of the project, calculated to be in 2060. I cannot see that we are ever going to be able, at least in the foreseeable future, to create a situation in which we will not be producing more than we can consume.

Under these circumstances, the result will be not that the price will go down, but that the taxpayer will have to pay more.

We are computing the cost to the taxpayer. It seems clear to me that we should most certainly include the cost of the farm program, or I should say the cost of this particular project to the farm program. We should include the increased cost of the farm program.

I continue to read:

The fall in the price of wheat would not be of any lasting benefit to the milling industry if competition prevailed there, since flour prices would be forced down correspondingly. But it would be of benefit to the final consumer. The difference between the price of \$2.10 and the price of \$2 on the old amount of wheat products consumed is then only a pecuniary transfer between consumers and the nonproject wheat farmers.

Of course, all the benefits to the consumer are washed out, because we have a farm program; and any benefit that washes out the farm program is dealing in the never-never land, not dealing with reality.

I continue to read:

On the increment of production due to the project, however (and there must be a net increment, since otherwise prices would not fall), the price of \$2 measures the marginal value in use (in this case, in consumption). The aggregate value in use, however, takes into consideration the fact that the first small increment had a marginal value in use of \$2.10. We may conclude, therefore, that where a project brings about a large indivisible increment of, say, wheat production, the market value after the increase (\$2 per unit) does somewhat understate the true social value. Note, however, that a correction of \$0.10 per bushel would be excessive; we should more reasonably, perhaps, split the difference and make the correction \$0.05 (but only on the increment of production). As a practical matter, we should add that the increment of production would rarely be large enough to make the effect worth worrying about—certainly not for wheat in this case.

Apparently, the distinguished author of this article is assuming that we do not have a farm program which buys up all the wheat we produce. It is perfectly apparent that there can be no drop in the price of wheat, under present circumstances, unless the Secretary of Agriculture or Congress decides that there shall be. This is clear on the basis of the policy that has been firmly established. Only a few days ago Congress decided that there shall be no drop in the price of wheat, no matter how much the production of wheat increases on the irrigation projects. The increased production of wheat, or, as in this case, of feed grain, will increase the cost to the taxpayer.

It is true that there is a balancing of cost, and the author is perfectly correct in indicating that we cannot call it a cost, because the work of the farmer is worth something. It is true that the farmer produces a surplus, but he gets more payment from the Federal Government. I suppose we could value any kind of relief payment a make-work payment, and that is unfortunate; that is very sad, because that is what we have.

We already have an ample supply of feed grains—\$3.2 billion worth of surplus feed grains. Obviously, this project, which would bring additional feed grain producing land into production, would increase that cost substantially. It would be of some benefit to the farmers who would produce the feed grains, and I suppose that fact should be taken into consideration. But at the same time we also must recognize that it is exactly this kind of overproduction which is discrediting the entire farm program and forcing the President and the Secretary of Agriculture into a proposal for mandatory feed grain controls which would make it literally impossible for farmers, as a whole, to obtain any benefit from putting more land into production, or from increasing the productivity of their present land. If Congress were to decide to impose mandatory controls, and if the Secretary of Agriculture were to say the farmers could produce only a certain amount of corn and a certain amount of wheat, then the effect of bringing more land into production would be to shove other farmers out; no other effect could possibly result. Obviously, under circumstances in which we rapidly approach that situation, expenditures to bring additional land into production would be a total, 100 percent waste of money.

I read further:

We may remark that if, as is actually the case with wheat, the existence of a price support program makes the addition really of no benefit to society (or of sharply reduced benefit if, for example, it will have to be dumped abroad at a loss), the market price grossly overstates the primary benefit.

A rather more important class of "benefit" officially taken into account, which is partially pecuniary and partially technological, is the increase in real estate value associated with the project. Consider a town near a new project, where increased demand for all types of services has been brought about by the movement of people into the area and by the increase in income of those already there. As a result, land values rise. Is this a real benefit? To some extent the effect may be purely pecuniary; that is, the land may not be shifted to more productive uses but rather the same uses are more highly demanded, and so the scarcity value rises. The increase in value of residential land is essentially in this category. In part, however, the higher demand may involve an improvement in the real productivity of townships, owing to the fact that customers have been brought into propinquity with the land. As an example, a restaurant in the town may now stay open for three meals a day instead of only two. While this effect is not merely pecuniary but real, it must be remembered that pecuniary effects still account for at least part of the increase in value of commercial land as well as essentially all the increase of residential land.

The correspondence I receive indicates that the moving voice in Beloit, Kans., was that of a restaurant owner. He felt that if a \$60 million project were begun near that town, with the result that many construction workers would be active in that area, all that activity would be a good thing for him—so much so, that perhaps he would be able to enlarge his restaurant, or possibly even build another restaurant. Mr. President, that might be a good thing for the restaurant owner, and that would be a sec-

ondary value. But I am sure Congress does not expect to solve the country's economic problems by building useless irrigation projects which the farmers of the areas involved do not want and say they could not use, all for the purpose of giving more business to some restaurant owners. So the particular analogy dealt with in this book, although it was intended merely as a scholarly example, comes close to stating exactly what the situation is with regard to this project.

I read further from the book:

Furthermore, the gains from bringing customers into propinquity with the sites in question must be balanced against the corresponding real loss to sites in other towns as customers move away from them. While it cannot be proved that the loss elsewhere will match the gain here, we feel that, as a practical matter, they can be assumed to balance off. Incidentally, much of the local political support for large projects comes essentially from real estate interests anxious to realize a gain in land values.

That certainly seems to be true in Beloit, Kans., and the surrounding territory, where the farmers do not want the proposed project.

I read further from the book:

The gain reaped here is typically much larger than that received by the primary beneficiaries.

The real heart of the "secondary-benefit" issue concerns the question of whether to count as a benefit the increased income or profit of those who process or deal with the products associated with the project or else provide services to those directly engaged in the project. The first three classes of the list below fall into this category:

Indirect irrigation benefits are project effects which comprise the increase in:

(A) Profits of local wholesalers and retailers from handling the increase in sales of farm products consumed locally off the project without processing.

(B) Profits of all other enterprises between the farm and the final consumer, from handling, processing, and marketing the increase in sales of farm products locally and elsewhere.

(C) Profits of all enterprises from supplying goods and services for the increase in farm purchases for family living and production expenses.

(D) Land value of local residential property.

In many of these cases, it seems that the prime benefits are indirect benefits—whether they are called indirect or secondary or are referred to as "stemming" from the project—which is the term used by Otto Eckstein. As a matter of fact, in this case the only benefits would be indirect benefits.

The people of Wisconsin are very generous; but I am sure they would look unkindly on projects designed only for the purpose of providing more customers for restaurant owners in a small town in Kansas or more customers who would buy groceries, clothing, haircuts, and so forth, from the businessmen there. However, those would be the principal beneficiaries from this particular project.

I read further:

The Green Book list includes the following:

"Where products of an irrigation project enter into secondary stages of production, such as processing and distribution, the increase in net income in such secondary activ-

ities under conditions with the project as compared with the net income expected in such activities without the project can be considered a secondary benefit. * * * Where secondary facilities are expected to be unused or underutilized, in the absence of the project, the increase in net income of such activities as a result of handling the project surplus of farm products may be a secondary benefit.

"Where an irrigation project results in increased incomes to businesses supplying goods and services to the project area or results in increases in the value of property for nonresidential purposes, the difference between the amount of such increased income or value expected as a result of the project and the increased income or value that may be expected in secondary activities stemming from the most likely alternative use of project resources in the absence of the project is a net secondary benefit (p. 40)."

This reminds me of the Keynesian argument that in times of depression or of unemployed resources, it is better to have the government build pyramids, rather than do nothing. Of course, the pharaohs of Egypt had their way of keeping their people out of mischief and busy—by building marvelous, immense tombs, so the rulers of Egypt would be remembered for many following generations. Some persons have suggested that in the event we were to find the international situation eased considerably, if we were to find that we could cooperate with the Russians and could substantially reduce armaments, then somehow we would have to find a substitute for the enormous defense program which keeps so many people busy, provides so many jobs, and keeps our economy moving.

Mr. President, I suspect that behind the failure of Congress to come to grips with this problem, the failure of Congress to have any real interest in economy, the reason why there is no indignation in Congress over a project which will not help the people concerned, which they do not want, which will cost \$60 million, is the notion, "Well, so it will cost \$60 million, but it has human value. We are going to put people to work and we are going to do something that is constructive. People who would otherwise be unemployed are going to be put to work. Businesses that are in difficulty will be helped. People who sell construction equipment, contractors, laborers, craftsmen of various kinds, merchants who will have secondary benefits in the area, will benefit. Let us go ahead and do it."

If that is the feeling, it is very sad that Congress is coping with economic problems in such a negative and blind way, when there are so many immensely valuable things to do in this country, in terms of education, homebuilding, hospitals, and public works included right in this program. It is ridiculous to engage in a project which cannot be justified, simply because we feel we must do something, somehow, somehow, to put people to work, even if what they do is useless or wasteful.

I continue to read:

By the analysis we went through earlier about the supposed gain from the lower price to the miller, we know that, if the processing and marketing industries are

competitive, there will be no increased profit to them as a result of the project. If there is an observable increase of profits, it will be due to imperfections of competition, perhaps only as a temporary lag before competitive pressures force down prices. The case for this secondary benefit really rests upon the idea that the primary benefit is less than it would otherwise be because the "middleman" makes a profit on the margin between the price paid by the consumer and the price received by the farmer, this profit being over and above the cost of providing the services of processing, transporting, wholesaling, etc.

This argument has some logical validity and may even be of some local practical significance where, for example, a single processor in a region has considerable bargaining power facing a large number of competitive farmers. As against this, it should be remembered, first, that it is only the marginal profit which is relevant (the increase in processor's profits due to the increment of production) and, second, that the value of the resources in their alternative employments might also have been understated because there, too, marginal profits were perhaps being reaped by processors, wholesalers, etc. Everything said here can also be applied to possible gains of non-competitive suppliers discussed in the second paragraph of the quotation above. On balance, we feel confident that this class of secondary benefits should be considered as of negligible real importance. The practice of the Reclamation Bureau is to allow 5 percent for indirect benefits A (marketing to local consumption) and for indirect benefits B (processing, marketing, etc.) to allow percentages varying from 83 of direct benefits (for cotton) to 6 (for poultry products). These obviously can be an enormous factor in inflating cost-benefit ratios. In particular, an unpromising cotton project with a primary cost-benefit ratio of 0.6/1.0 would be built up by this procedure alone to show a ratio of 1.13/1.0.

I suggest that the 83-percent benefit for cotton can be justified only on the basis of the sheer power of Members of Congress from below the Mason-Dixon line, occupying, as they do, all the strategic positions in Congress, serving as chairman of 10 of the 15 important standing committees of the Senate and most of the standing committees of the House. They are obviously in positions where they can drive exceedingly hard bargains. That factor has nothing to do with the real benefits and real costs of these irrigation projects.

I continue reading:

When it comes to enterprises supplying goods and services to the farms assisted by the project, we have already recognized that, to the extent that labor or land moves from less productive to more productive employments as a result of the project, there is a real "secondary" gain. By analogous reasoning we could come to the same conclusion about possible increased return to capital and increased profits to enterprises whose services are used for the project. Now it is conceivable that these returns are relatively high compared to the primary benefits to the farmer, but in the absence of a general condition of unemployment (to be discussed shortly) there will be alternative uses foregone, at least by the more mobile resources, which should be little poorer than uses in connection with the project.

The Bureau uses a flat 18 percent for this class of benefit. While this figure is not necessarily unreasonable, it obviously will vary from project to project and should be made the subject of special investigation. In general, we are less confident that the real bene-

fit here will be really negligible in comparison with the primary benefit, but still some kind of showing is needed to demonstrate just how the project can tap sources of labor or capital and attract the services of enterprises whose alternatives are so poor that the project yields them a marked gain.

(c) Employment considerations: Where general unemployment exists, of course, alternatives may well be quite poor, and secondary benefits to suppliers may become quite substantial. Secondary benefits in processing and marketing may also become large. In fact, the formulation in the official documents understates their potential magnitude, since in principle they could include not only the profits of processing and marketing firms but some of their expenses as well; these expenses become wages, interest, and profits to labor, capital, and to other enterprises whose services might have been entirely unemployed. What this really comes down to is the fact that economics, as the study of efficient use of scarce resources, has nothing really useful to say if resources are "free" in the real sense (i.e., if nothing has to be sacrificed elsewhere in order to employ the resources in activities associated with a project).

In fact, there is no need to turn to secondary benefits at all in justifying projects under conditions of general unemployment. If all resources are free, there will be no real costs of projects that bring resources into employment, and any project yielding any primary benefits could then be justified. This raises the possibility of projecting into the future an estimate of the proportion of years that will see some degree of general unemployment and of not charging any costs for the use of resources supposed to be "free" in such years. Actually, current practice as recommended by the Federal Inter-Agency River Basin Committee is to take projected future unemployment into account for secondary benefits, the equally valid fact that unemployment negates much of the primary costs being omitted.

Any procedure of attempting to take unemployment into account in the analysis raises a number of problems. The first is the difficulty of prediction of both the timing and the extent of unemployment. Second, there is the matter of the interaction between the project under consideration and other economic activity in the private or public sphere. It may be, for example, that the project does have a favorable employment effect but that, in the absence of the project, other Government measures like tax reduction would be adopted which would also tend to reduce unemployment.

Certainly, this is a real consideration. It is one that Congress was considering very seriously this year, and one that the President has promised for next year. Whether or not there is a tax reduction, I hope it will be related not only to the state of the economy, but to the state of the budget. Obviously, if we have the alternative of either reducing taxes, and thus providing employment because people will have more to spend, or engaging in a project which has limited use, which the people in the area concerned do not want, it seems to me a tax reduction would be infinitely preferable.

Reading further:

Or it is not inconceivable that either the direct or the indirect effects of the project may tend to reduce private investment. The Hells Canyon controversy is a possible instance of a public investment which, if approved, would have displaced a certain amount of private investment.

In any case, it is wrong to consider employment or antideflationary effects as a

benefit without qualification. If the economy is operating properly, under neither depression nor inflationary conditions, the necessity to employ labor or capital on a project deprives us of the possibility of using those resources elsewhere and so represents a real cost.

The real difficulty in this question is that the project has no particular relation to unemployment. There has been no showing that there has been any unemployment in this area of Kansas.

If there is unemployment, those people are eligible to receive a part of the \$900 million of accelerated public works appropriations, for which the Senate authorized \$500 million by its action only a few hours ago. So, if unemployment is the problem, there is a specific provision in the bill to take care of that.

To provide this project as a help in solving the unemployment problem when there has been no showing, no claim, and no argument with respect to unemployment, would be a very weak thing to do; and to compute any benefits based on unemployment would be very feeble indeed.

I continue the quotation:

Conclusion on extrafinancial considerations: To summarize the above, then, we regard the excess of aggregate value in use over market value (the consumers' surplus) as an element that should be considered where projects involve large increments of supply. Its quantitative significance, while not directly measurable, can be easily bracketed within upper and lower limits. Secondary costs and benefits should be considered insofar as they represent real technological spillovers; such spillover benefits would normally be counted as a multi-purpose aspect of the project, but spillover costs are likely to be neglected. The great bulk of secondary benefits as usually counted (gains of individuals in economic association with primary beneficiaries) are illusory; only in exceptional circumstances may they be both real and of some importance. Employment considerations may be important in providing secondary benefits—or even in eliminating primary costs—to the extent that depression can be anticipated during the investment phase of the project.

And, I might add, to the extent that they have direct regional, local application—which in this case they do not have.

To the extent that inflationary conditions dominate, however, projects will involve the economy in additional real costs. While it might be wise to have a backlog of projects ready for execution if and when depression occurs, under present conditions it is possible that employment-generating benefits are less likely than inflation-generating costs as secondary project effects.

Another consideration that may be important in practice concerns the so-called intangible effects of water-supply projects. The "Green Book" lists effects on scenic or historic sites;

As I recall, one of the most impressive and attractive historical sites in the State of Kansas would be flooded out by this project. Tourists would find it under water. So far as this particular project is concerned, the effect on scenic or historic sites seems to work in reverse. Its contribution to tourism or the preservation of important locales would be distinctly negative.

I continue to quote:

Strengthening of national security and national economy—

That is hardly a consideration under these circumstances, in view of the fact that the national economy would not be strengthened, but instead weakened, when we recognize the very serious farm problem—

the substitution of power from replenishable water resources for power produced from limited and nonreplaceable fuel resources—

As I shall show shortly, the sad fact is that this water could be more sensibly used for antipollution purposes, instead of the irrigation purposes, which the farmers do not favor—

the encouragement of a more widely dispersed industry—

This project would do exactly the opposite. By appropriating water for this particular purpose instead of for some other purpose, such an antipollution, when industry wanted it for an industrial purpose it would be unavoidable—

the provision of opportunities for new homes and new investments; and the provision of new avenues for the enjoyment of recreation and wildlife. Saving of human life is also mentioned. These give the general idea, while by no means exhausting the list of possibilities. Some people, for example, place high value upon the preservation of private enterprise as an alternative to the extension of Government powers. Distribution effects of projects may also be an important "intangible."

It may be helpful in thinking about such intangibles to classify them into those of a material or economic nature and those involving values beyond the economic. Thus the provision of recreation facilities is obviously economic in nature in that additional commodities or services are made available to the public; it is "intangible" solely because of difficulties of measurement which are not, as a matter of fact, completely intractable. The preservation of human life or of democratic processes, on the other hand, brings into account values beyond the economic. The distinction between the two is helpful because economic analysis can in fact expose certain fallacies about claimed intangible benefits of an economic nature. The supposed benefit cited above of replacing fuel power with water power is a fallacy, for example; these are competing market alternatives, and the alleged superiority of water power (its nonwasting nature) is already fully accounted for in the higher price the market charges for the use of the nonreplenishable resource, fossil fuel. Similarly, irrigation projects will often be justified on "intangible" grounds because of the need for food here or abroad, now or in the future; but these are already accounted for in the price of food products and the value of agricultural land.

I add the cold, clear, hard fact that we have a perfectly enormous surplus of food, and more food would be produced as a result of this project.

The discussion of "intangibles" parallels, once we get beyond the purely material considerations like recreation values, the problem of "extramarket values" taken up in chapter iv. In general, while we can imagine circumstances in which some of these intangibles might become valid, by and large we feel that they seldom have any important weight and usually are dragged in to serve the purpose of obscuring the real magnitudes of the costs and benefits. Only rarely, for example, will an inefficient water-

supply project importantly improve national defense or the national economy or democratic processes or public health or the mobility of resources or the degree of competition—

In the case of Glen Elder none of these categories would apply. Certainly it would not improve the national defense or the national economy, or the democratic processes, or the public health, or mobility of resources, or the degree of competition—

and, in the exceptional cases, it may be possible to quantify the effect at least within broad limits. Other intangible effects, while possibly more visible, may not be obviously desirable, such as dispersal of industry, preservation of the family farm—

This would do that in reverse—

or benefits to particular regions at the expense of others.

One nonquantifiable "intangible" which raises some interesting questions is prevention of loss of life through floods. Here again it is easy to speak vaguely and grandly of benefits over and above the economic property damage and loss of human services caused by flood. Actually, few realize how small the loss of life due to floods actually is. From 1946 through 1954 the average annual figure for deaths from floods was 52 (93 in the highest year, 1950), as compared with, for example, 38,000 deaths in 1953 from automobile accidents and 57,000 from other accidents.

In this instance the loss of life from flood has not been raised as a consideration. I do not think under the circumstances it could be raised, especially in view of the fact that the dam is located 250 miles from the point where flooding is likely to occur; and the body of water retarded, restrained, or regulated by the dam would consist of only 8 or 9 percent, or less, of the total volume of water which could be expected to flood, which could cause any damage or possibly any loss of life.

Also worth mentioning, perhaps, is that the risk of loss of life due to collapse or failure of dams is not utterly negligible.

It is always within the realm of possibility, of course, that, if this great dam should be built, it might collapse and result in a loss of life greater than would result from floods.

Failure of the St. Francis Dam near Los Angeles was responsible for 385 deaths in 1928. (This was a water-supply dam, however, not a flood-control dam.) During the year 1959 two major dam failures led to deaths of 274 persons in France and 132 in Spain.

One supposed intangible benefit is so important as to deserve extended discussion—regional or local development, particularly of the West or South. We see no special reason to prefer, for example, development in the West to development in New England.

Or, I might say, development in Wisconsin.

Nevertheless, it is clear that the slogan of "developing the West" has high political appeal, even in the East.

Especially in the West.

The following quotation from a midwestern Congressman perhaps catches the flavor of the sentiment: "I have in mind, gentlemen, the Estancia Valley in New Mexico, a beautiful valley. All it needs is water, and you can raise anything. It is a big valley,

a beautiful valley. If we could afford it, that valley should have water on it by all means."

Of course, those are attractive sentiments. We like to think in terms of an oasis in the desert. But what is wrong with knowing exactly what we are doing when we are doing that, and in knowing all the costs?

I continue to read:

There are a number of ways of interpreting such a statement. The first is the idea of "balanced development"—that, in principle, every State, every region, and presumably every acre has a right to equal development (i.e., equal numbers of houses, farms, factories, traffic jams, hotdog stands, etc.). It is impossible to accept this as a goal, since economic activity is designed to serve mankind and not to serve real estate. The second possibility is that westerners are to be preferred to easterners. Development of the West in particular would then be good, since it redistributes wealth from the effete East to the vigorous West and also induces some easterners to become westerners.

I believe there is such a sentiment in this country: That there is something vigorous, virile, and aggressively American about the West, and something a little effete, tired, and wornout—perhaps something European—about the East. However, I think that this sentiment, which has been encouraged by TV shows, is inclined to pale as we recognize the realities and appraise those of us who come from the Midwest, East, and the South. We find that there is no difference physically, mentally, morally, spiritually, or in any other way. Whether we like it or not, we have become a homogeneous country, whose habits and character have been greatly influenced by television, mass publications, reading the same columns in the newspapers all over the country, and through radio, regardless of where we live.

There is very little difference between an American who lives in Idaho or California and an American who lives in Pennsylvania or Delaware. A few years ago there was a distinct difference, for example, in accent. Then, depending upon the kind of occupation in which one was engaged, we noted that a man's work had a great deal to do with strengthening his physical vigor or lessening it, depending on whether he chose the intellectual life or the life of hard physical work. But, I think any sociologist would recognize that those differences have disappeared, and any basis for arguing that we should give greater consideration to the people of the West because the people there are better is one that could very easily be dismissed.

Furthermore, as the writer states:

This is a rather odd idea when stated so badly, but it perhaps has some currency in popular thought as indicated by folk-myth heroes like the frontiersman and cowboy. Both of these explanations are fairly obviously irrational. We prefer to think that the Congressman was simply expressing in sentimental language his belief (or, perhaps, hope) that the proposed investment would be a sound economic proposition, that is, that the value created by providing water to the valley, such value to be received by both residents and purchasers of the valley's

products, would be more than the cost of bringing the water there.

Of course, whether it was true in the case of that representative, it seems to have been true in the case of the Glen Elder project and in the case of many other projects that come before us.

The wish is father to the act. I think almost any person with a minimum of ingenuity and a minimum of intelligent and understanding, can arrive at a benefit-cost ratio that is better than the actual one on any project. This is particularly true in view of the fact that all we have to do is to engage in several minor adjustments. We extend the value of the project from 50 years, which it was up to a few years ago, to 100 years; we reduce the interest rate, which we have done, to 2½ percent; we leave out of account much of the interest rate, and forget about the effect on the farm problem; we heavily emphasize any possible potential indirect benefits, and then, at last, we arrive at a feasible financial benefit, or a benefit-cost ratio, which would be favorable. Then we could justify spending the public's money on something that seems very unsound when it is carefully examined.

I continue to read:

There is a sophisticated economic argument for subsidized development of new or backward areas, at the expense of old or already developed ones, which turns on the contention that market forces alone do not lead to the optimum speed of development. Old areas, it is argued, are overdeveloped and new areas underdeveloped, the disparity exceeding what it should be in terms of the costs of moving and the like. The reasoning underlying this view is that fundamental utilities of a region like power, water, transport, etc., can be developed for a while at decreasing cost until the most efficient scale is attained, after which further development can take place only at increasing cost. Consequently, on the margin the cost of servicing a potential migrant with utilities may be equal in overdeveloped New England and underdeveloped New Mexico, thus providing the individual with no incentive to move on this score. But each individual who leaves New England reduces the unit cost of utility service there (since average cost is assumed to be in the increasing range in that area), and in moving to New Mexico he will also reduce the unit cost of utility service in the latter region (where average cost is in the decreasing range). This very plausible argument is actually a fallacy; given the premises, the conclusion that subsidized movement from New England to New Mexico will reduce aggregate social cost of utility service is a non sequitur. While the averages in both areas fall, the individuals who transfer may be shifting from the low-average to the high-average area, and the result can go either way.

Our view is that the political strength among nonwesterners of the idea of "development of the West" is an illusory belief, fostered by the beneficiaries, that such development benefits the Nation as a whole by increasing the real national product. The romantic aspects help the illusion to gain currency, but the romance could not flourish in the absence of obfuscation about the real costs. The practical success of this idea in terms of legislation can be ascribed to the same reasons as the success of logrolling generally. When the benefits go to a well-defined interest group for whom it is worthwhile making the political investments necessary to assure passage of the legislation, while the costs are dispersed so widely

as not to justify anyone's organizing political opposition, special-interest groups are all too likely to win out against the general public.

That last sentence is a concise summary of exactly what is wrong with the bill and with this project. The fact is that the general interest—the taxpayers interest, the interest of the people in the 49 States outside of Kansas, and in the majority of counties in Kansas—in this case I might say in the counties that are benefited—is opposed to the project, or should be opposed, because they are paying for the project. They not only receive nothing for it, but also they are paying for a project which is demonstrably unsound, and which would only contribute to the development of more farm surpluses, which the taxpayers would then be required to buy in order to maintain farm income.

So, there can be no rational justification for the project, except on the part of some special interest groups, such as the restaurant owner in Beloit, Kans., and a few other merchants in the area who feel that a \$60 million project there would bring a great deal of business for a few years.

Sixty million dollars means a multi-million-dollar payroll, and it means that a part of that multi-million-dollar payroll will be spent in what will be come a boomtown. Real estate values will increase. The gross income of merchants will go up. This indirect value to the special interests is very clear, very obvious, and very effective. But the general interest is virtually unrepresented. I suppose it would not matter if this were the only project. The trouble is that the project about which I have been speaking is typical. We have \$1.5 billion worth of projects of this kind which are approved very quickly, and are based not upon merit or a cost ratio that makes any sense, but wholly and effectively upon political pressure.

Along this line, Golzé's discussion suggests rather strongly that political opposition to the reclamation program benefiting the 17 Western States evaporated when the grant of Federal subsidies in the form of flood-control projects largely benefiting the East became an established policy between 1927 and 1936. The logrolling implications are obvious, the flood-control projects representing "pork" which eastern legislators could bring home to their constituents, thus providing a more balanced distribution of the spoils.

This is strictly the old pork barrel, the old back-scratching system, in which everyone wins except the taxpayer.

Municipal or local "development" is also often a goal for expansion of the water supply of a city or region, that is, development is considered to be an end justifying investments over and above the merely economic matter of supplying a commodity to actual or potential consumers when its worth is more than the cost of providing it. Who has not read the paeans of praise sung out by historians or less scholarly publicists for the magnificent foresight of early municipal leaders in building water supply ahead of demand, thus laying the foundation for the development of cities like New York and Los Angeles?

Such lyricism is seldom subjected to critical analysis. If it were, interesting questions would begin to arise immediately. What kind of goal is "development" for the resi-

dents of a city? While some may object to this judgment, we think it reasonable to say that the increased crowding of the Los Angeles area, for example, has significantly reduced the net desirability of that city to its previous residents. (On the other hand, the new residents presumably gained, if their relocation decisions were correct from their point of view.)

For instance, I know of one prominent man who went to California. He had never been out there. What he saw in Los Angeles appalled him. Anyone who is a lover of nature, and sees what is happening in parts of California, particularly in Los Angeles, is likely to be appalled. When he went out there he had been told that Los Angeles represents the future. He came back and reported he had seen the future, and that it is not going to work. I believe there is a great deal of merit in recognizing that merely because we can develop certain areas and increase the population in them, merely because we can pile one industry on top of another, and because real estate incomes, and so forth, go up, it does not mean that positive any social values are achieved.

While real estate and other interests behind civic "boosting" have certainly profited, the overall balance of advantage from growth is unclear. Even this does not get to the real point, however; the basic question is the desirability or feasibility of encouraging development, granting that it may be desirable to do so, in a particular way, through subsidizing water supply or through building ahead of demand. Each of these is worth some comments.

Building ahead of demand is sometimes economically justified, of course. Where construction must take place in large indivisible lumps, and when there is uncertainty about the growth of demand, at a certain point the economic risk of insufficient capacity and the economic risk of excessive capacity balance. This balance might be such, if the risk of being caught short were weighed heavily enough, as to justify building additional capacity even if it were fairly probable that the capacity would be excessive for a few years. We definitely do not want to imply, however, that building ahead of demand can always or even normally be justified on this ground; in fact, the specific question we want to investigate is the possible justification for building ahead of demand when the economics are unfavorable.

Of course, in this case the economics can hardly be more unfavorable. What are we building before demand? It is food production. That is what irrigation means. It means food production. We are building more food production at a time when we have too much; there is every indication that we will have too much in 1970, 1980, and 1990. There is plenty of time in the future to build projects like this if there is any real need for bringing more land into production.

Few civic leaders have been so praised for their foresight as the "water seekers" of the Los Angeles metropolitan area. Yet at least one vast water-supply project—the Colorado River Aqueduct—has involved a truly major economic loss to the region, as we shall point out in chapter XI. This loss, paid for by the taxpayers of the region, certainly has deterred development of its resources and industries as a whole, despite the undoubted benefits reaped by some particular activities or localities.

Despite the economic loss, however, the praise received by the "water seekers" may possibly have been justified from the point of view of the areas or municipalities involved, because elements of the existing structure of water law make the construction of uneconomic projects almost a necessity if water is to be secured at all. These elements are the fact that water rights other than riparian are acquired and kept by actual use and the fact that transfers of use are hindered in a number of ways. If to get and hold a water right the water must be used, it obviously may become necessary to use the water earlier than economic rationality would dictate in order to prevent others from preempting the supply. If transfers posed no difficulty, this problem would be much less serious, since the city fathers could buy out existing rights held by others. The combination of the two—rights dependent on use and limitations on transfer—impose terrific pressure in the direction of early construction and wasteful use.

What about encouraging development through a subsidized price for water? Building ahead of demand (again, we are speaking of construction beyond that indicated by the relative balance of the costs of oversupply and undersupply) involves one kind of subsidy, but the issue can be posed more generally. Should water be deliberately provided at a loss in order to encourage development of a region?

That is exactly what is happening here.

The arguments for such a course, as for any subsidy, usually point to specific benefits which could be attained by such a policy, without consideration of the cost. Thus it is undoubtedly the case that certain industries or plants that would not otherwise be attracted could be induced to locate in an area by a favorable water price.

This is going to be precisely the opposite, because it will be used for irrigation. It will forestall and prevent for a hundred years or more the use of this water to bring industry in at a time when industry is a much more sensible solution to the utilization of manpower than agriculture, when we have obviously a great surplus of manpower and resources in agriculture.

But somebody must still pay the cost, which is simply thrown onto the general tax burden—or, if it is a preferential rate which is granted, the nonpreferential water users will share the cost. Furthermore, what kinds of industries will be attracted by subsidized water prices? Logically, these would be industries with relatively heavy water usage but providing rather slight tax base to take full advantage of the subsidy. Thus, if water is scarce in an area and this constitutes a barrier to development, subsidizing the water will attract precisely the wrong kind of industries in view of the real natural advantages and disadvantages of the region. In terms of theory it is possible to show that the consequence must be a net loss because the artificially low price on water will enable users granted preferential rates to employ water where its marginal value in use is low and, in particular, lower than its real cost.

We conclude, therefore, that development is not an intangible worthy of consideration as a goal in water-supply projects over and above the economic consideration of costs and benefits. Rather, development in terms of exploitation of the real advantages of particular regions is best furthered by the construction of economic projects and by avoiding the waste of resources entailed by the construction of uneconomic ones. In general, the heading of intangible benefits usually covers certain considerations that are economic in nature; classifying them as in-

tangibles permits proponents to make vague sweeping claims as an alternative to serious attempts at measurement or as a way of getting twice the mileage out of a real economic benefit already counted. Real intangibles certainly do exist, such as the preservation of human life or of democratic processes. But, in general, the concept has been overworked, and few if any projects in the water-supply field have major implications beyond the mundane sphere where economic analysis is appropriate.

4. THE CRITERION PROBLEM AND COST-BENEFIT RATIOS

Assume that all the benefits and all the costs associated with a project have been evaluated. How do we determine whether the project is good or bad? The traditional method has been to compute the ratio of benefits to costs, which we shall denote B/C. Here B and C are either discounted present or annual values (we will consider the discounting process in the next section). The "Green Book" states that "the ratio of benefits to costs reflects both benefit and cost values and is the recommended basis for comparison of projects." This recommendation actually has two aspects: (1) for a project to be justified, the ratio must exceed unity, and (2) as between projects, the one with the higher ratio is the better.

This is not necessarily so, but it is a consideration. Unfortunately, we do not pay any attention to anything so long as a project has a one-to-one benefit cost ratio and has political pressure behind it.

The first of these conditions is generally admitted, although where intangible benefits and costs exist the ratio may not be capable of being measured. Some, indeed, have challenged this restriction, asserting that the job of the Bureau of Reclamation, for example, is to expend its budget on the best available projects even if there are none with a B/C ratio greater than 1. This idea really belongs to the intellectual underworld. Its implication of "my agency at all costs" is one which motivates much activity but will only rarely be openly professed. Clearly, the budget granted an agency should be the outcome of its demonstration that the funds can be spent on beneficial projects rather than it being the case that projects are merely the best available ratholes down which to dump the funds.

Unfortunately, the benefit-cost ratio varies. We do not really know what the benefit-cost ratio is. We have a representation of a benefit-cost ratio which is inaccurate and false.

The way it operates is that we are dumping funds voted by Congress down ratholes, without knowing we are doing it. In doing so, we pat ourselves on the back with the notion that we are investing the public money wisely in projects which will prove themselves, projects which will bring benefits exceeding their costs; when, as we can demonstrate in this case, as in many others, they do not come within a country mile of doing so.

I estimate that the Glen Elder project not only does not have a unity ratio or the ratio of 1.18 to 1. This, on the basis of all the costs, including the cost of the farm program, as we now include it, has a benefit-cost ratio of .46. In other words, estimating the benefits of the program as generously as we can, all the benefits of the program are exceeded by the cost, by the ratio of more than 2 to 1. The costs exceed the benefits by more than double. Actually, this assumes that a project to enable farmers to produce more feed grain at a time

when feed grain is in surplus is beneficial.

The second condition, that projects may be comparatively rated by the B/C ratio, sounds plausible but happens to be logically erroneous. That this is so can be shown by a simple example. Suppose that we must choose between two mutually exclusive projects (with all risk and uncertainty being assumed away), one with a cost of \$1 and a benefit of \$5, the other with a cost of \$1,000 and a benefit of \$1,200. The former has a B/C ratio of 5, and the latter of only 1.2, but we would clearly be mistaken to forego a \$200 gain for a mere \$4 on the other project. The ratio does not, therefore, lead to the right answer in choosing among mutually exclusive projects. In choosing the scale of investment in a given project, an example in the "Green Book" itself shows that the B/C ratio leads to the wrong answer again. An illustration is there provided where, if costs of \$50 are incurred, the benefits will be \$70 (ratio is 1.4). Now suppose that, by expanding the scale of cost by \$1, it is possible to reap a benefit of \$1.30. Since the B/C ratio for the increment is only 1.3, it is going to pull the overall ratio below 1.4—but clearly the increment yields more benefits than costs and is therefore desirable. McKean has also pointed out a rather important ambiguity in the ratio itself. Sometimes all costs will be segregated in the denominator, but at other times it is convenient to count the benefits as net of certain associated costs. If the basic outlay is \$40 and benefits of \$170 will be yielded if \$50 of expenses are incurred, the one ratio is $(\$170 - \$50)/\$40 = 3$, while the other is $\$170/(\$40 + \$50) = 1.9$. Neither of these ratios is better than the other; basically, the error is in the use of a ratio at all.

What is the right criterion? It is the difference between the benefits and costs (which we denote B—C) which should be maximized. To take the example just given the B—C criterion shows a wealth gain of $\$170 - \$50 - \$40$, or \$80, the same result being derived whether the accounting is on a net or a gross basis.

I reject this argument. I think the benefit-cost ratio is exceedingly useful, if only the benefits and the costs could be fully stated without distortion and exaggeration. Then we could make an appropriate judgment.

The notion that a smaller benefit-cost ratio, if there is a \$5 benefit to \$1 cost, and therefore only a \$4 gain, is less desirable than \$1,200 to \$1,000 is a ridiculous fraction. If there is a \$5 to \$1 ratio, it can be far more desirable—\$4 can be far more desirable than \$200, because obviously there is a lesser magnitude invested; and almost certainly, in the first case, one is investing less money.

The argument that the only difference that matters is the difference between benefit and cost, the absolute figure, would mean that we were engaged only in big projects. The small projects are disregarded because of benefit-cost ratio, because the difference in absolute terms is small.

I reject that theory, because I do not think it makes any sense. I think it is necessary to think in terms of amounts of assets, resources, and taxes invested.

I continue to read:

As between the mutually exclusive projects we considered earlier, the project with a B—C of \$1,200—\$1,000 or \$200, is obviously a better alternative than the one with B—C of \$5—\$1, or \$4. Similarly, any increment to the scale of a project that yields a greater increase of benefit than of cost is

one that obviously makes the B—C difference greater, and again the correct answer is achieved.

Those who argue against the use of the B—C criterion cite comparisons like the following. Suppose there is one project with benefit of \$2 and cost of \$1, and another with benefit of \$1,000,002 and cost of \$1,000,001—is not the former preferable? The answer is really “No,” risk and uncertainty aside. The latter investment seems dubious because we know that estimates of costs and benefits are unlikely to be accurate in the seventh figure, so as a practical matter we may doubt whether the supposed net B—C of \$1 will be forthcoming. This, however, does not affect the logical correctness of B—C. Furthermore, we know that we are much less inclined to risk \$1 million than to risk \$1 for the same net benefit, and this also makes us doubtful. However, allowance for risk should enter by discounting B or by adjusting C (we shall discuss this in the next section), so that the criterion B—C already incorporates any risk aversion we may choose to assign.

The reader may be interested in the following conundrum which has also been used as an argument against the criterion of B—C. Suppose that, by spending our entire national wealth (say, \$1,000 billion), we could triple wealth next year, whereas, by spending only \$10 billion, we could double wealth. The criterion of B—C says that the former is better, and so is it not in error? The idea of course is that we will starve to death before the returns of the former project come in. The difficulty here is that the market value involved in the national wealth figure of \$1,000 billion is less than the aggregate value in use of all our resources (the area under the demand curve). We can ignore this consideration in speaking of projects of relatively minor scale but not in the example cited. Obviously, the aggregate gain of a tripled national wealth next year will be valued less by us than its aggregate real cost, starving to death this year, for exactly the same reason that a man under certain circumstances in the Sahara Desert might be willing to give all his wealth for a gallon of water while normally he will not pay a dollar for 1,000 gallons. This conundrum is not completely devoid of practical implications, however. It suggests, correctly, that, as projects become large, we should take into account the fact that the resources sacrificed become more valuable to consumers.

In practice, however, the use of the logically incorrect B/C criterion is a relatively unimportant defect in project selection and evaluation. In fact, if benefits and costs are calculated correctly, it is obvious that every project with a B/C ratio greater than 1 should be adopted, since, if B/C is greater than unity, then B—C must be positive (there is a net surplus of benefit over cost). The major practical difficulties lie in the tendency toward optimistic inflation of B

Here is where I agree with the author—

and the underestimation of C, together with the use of an excessively low interest (discounting) rate, which we now turn to consider.

OTHER ASPECTS OF THE BENEFIT-COST RATIO AS APPLIED TO GLEN ELDER PROJECT

Mr. President, we have just inquired into one aspect of the direct benefits which suggest that the benefit-cost ratio has been overstated as the result of questionable assumptions. As a result of this doubt cast on the size of the direct benefits, there is even more doubt about the size of the indirect benefits. As table 2 indicates the indirect benefits are very important in pushing the size of the benefit-cost ratio above 1.

Without the indirect benefits, the benefit-cost ratio of the Glen Elder project is only 1.09, assuming 100 years of useful life of project, which is totally unrealistic. It will be silted in long before 100 years. It cannot be justified under any circumstances in this particular case, and I think it can rarely be justified in any case; but certainly not in this case at all. If the useful life of the project is assumed to be 50 years, the benefit-cost ratio is .85. In other words, the benefit-cost ratio is less than unity unless we apply it to an artificial number of years.

On the irrigation part of the project, the benefit-cost ratio without the indirect benefits is .71 assuming 100 years useful life, and .57 assuming 50 years of useful life of the project. Thus any doubt cast on the size of the indirect benefits assumed for the project goes a long way toward casting doubt on the whole project. If the indirect benefits were not as large as they have been

made to appear, the projects would not be justified on economic terms. It is thus important that the legitimacy of the indirect benefits of the Glen Elder project be established before we can accept the project as being economical.

The validity of these indirect benefits is open to severe question. They are perhaps even less valid than the direct benefits. There is little question that the increased profits of the farmer benefiting from the irrigation are of benefit to that farmer. I am not considering the cost of the farm program. But the fact is that the increased profit is at the expense of the taxpayer. But the increase in private gain is not necessarily a gain to the Nation as a whole if the profits of some other farmer go down as a result, or if the taxes of everyone in the Nation go up in order to finance the surplus acquisition. In this case, nothing else can happen.

This distinction between the gain to an individual or locality and the Nation as a whole must always be kept in mind in such a discussion as this. This distinction is of particular value to the evaluation of the indirect benefits of such projects. This is important since it is the national benefits which should be of interest to a Congress dispensing the Federal tax dollar.

The most important part of indirect benefits consists of the increased profits of those that process the increased output of the farmer himself.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a table I have designated as table 2.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Benefit-cost of Glen Elder ratios under various assumptions

	Using 2.5-percent factor				Using 4-percent discount factor			
	100 years		50 years		100 years		50 years	
	Direct	Total	Direct	Total	Direct	Total	Direct	Total
Project.....	1.09	1.18	0.85	0.93	0.72	0.78	0.64	0.69
Irrigation.....	.71	1.01	.57	.80	.49	.69	.43	.61
Flood control.....	1.18	1.18	.92	.92	.77	.77	.68	.68
Municipal water.....	1.81	1.81	1.39	1.39	1.17	1.17	1.03	1.03

Mr. PROXMIRE. Mr. President, I shall now refer to table 3; and I ask unanimous consent that it be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 3.—Irrigation benefits, Glen Elder unit

[Dollar values except factors; 250/265 prices]

Item	Values with project	Values without project	Difference due to project	Benefit factor	Unadjusted benefits			Negative benefits		Benefits adjusted for negative benefits			Benefits further adjusted for 10-year development period (0.885)		
					Direct	Indirect	Public	Indirect	Public	Direct	Indirect	Public	Direct	Indirect	Public
Number of farms.....	150	90	60												
Gross farm income:															
Cash receipts:															
Cereal crops.....	\$900,900	\$899,429	\$1,471	0.48		\$706		\$45,340			—\$44,634			—\$39,501	
Hay and forage crops.....	419,100	18,826	400,274	.05		20,014		99			19,915			17,625	
Livestock.....	3,255,750	492,727	2,763,023												
Less purchases.....	(1,557,300)	(0)	(1,557,300)												
Net increase.....	(1,698,450)	(492,727)	(1,205,723)	.11		132,630		5,692			126,938			112,340	
Perquisites.....	54,000	32,428	21,572												
Total.....	4,629,750	1,443,410	3,186,340												
Farm expense.....	3,625,650	964,285	2,661,365												
Net farm income.....	1,004,100	479,125	524,975												
Family living and equity.....	783,900	479,125	304,775												
Labor alternate.....	174,004	0	74,004												
Net increase.....	709,896	479,125	230,771	1.00	\$230,771					\$230,771			\$204,232		
Equity.....	129,900	98,816	31,084												
Perquisites.....	54,000	32,428	21,572												
Cash expended.....	525,996	347,881	178,115												
Payment capacity.....	220,200	0	220,200	1.00	220,200					220,200			194,877		
Farm investment.....	12,986,100	9,881,557	3,104,543												
Settlement opportunity.....	74,004	0	74,004	1.00			\$74,004		\$11,683			\$62,321			\$55,154
Economic growth.....			450,971	.05			22,549					22,549			19,956
Item total.....					450,971	153,350	96,553	51,131	11,683	450,971	102,219	84,870	399,109	90,464	75,110
Item total rounded.....					451,000	153,400	96,500	51,100	11,700	451,000	102,200	84,900	399,100	90,500	75,100
Total annual benefits, 100-year analysis.....					(700,900)			(62,800)		(638,100)			(564,700)		

1 \$1,235 per farm for 60 new farms.

Mr. PROXMIRE. Mr. President, table 3 indicates the nature and extent of these indirect benefits in the case of the Glen Elder project. Most of the indirect benefits of this project, which amount to \$153,350 a year, come from the increased profits of the processors of the livestock. This is determined simply by applying a 11-percent factor to the net increase of livestock marketings. This benefit factor and others for different products—for example, 48 percent for cereal crops—are determined by independent studies by the Bureau of Reclamation, and are usually the same for all projects being evaluated. While the size and variation of these benefit factors might be open to question, the important point here is the concept of considering increased profits of local livestock processors as national benefits. Since only certain amounts of these farm products can be processed, at any given price level, and sold in the Nation as a whole, increased processing in any given locality merely means less processing in some other locality. From the national point of view, the increased processing profits in one locality should not be considered without considering the displaced or decreased processing profits in some other locality. The net change is the only thing that is relevant from a national point of view. Of course, from a local point of view, the offsetting changes in some distant locality are not of much interest. But they should be of interest to Congress. And for Congress to consider that such increases in processing profits in one community are a national benefit, and therefore are adequate as a contribution to the economic worthiness and viability of a particular project, is unjustified.

In that connection it can be pointed out that in this case the proposed project is particularly unjustified, inasmuch

as it is proposed at a time when we have a great problem of agricultural-commodity surpluses—so much so, that every grain of sorghum that might be produced on the land which would be brought into production as a result of irrigation from the proposed project would be sure to go into the surplus supply, because we already have a surplus. Therefore, it seems to me that this situation indicates clearly that one who attempts to indicate as a positive benefit the indirect benefit to the processor of such grain is making a very faulty evaluation of the situation, and is ignoring the fact that under present circumstances the overall effect on the country as a whole could not be positive.

MOBILITY OF RESOURCES WITHIN AND FROM THE AGRICULTURE SECTOR

Mr. President, one should also ask what assumptions should be made about the mobility of the processors of farm products. It has been argued that since farm product processors already exist in most farm communities, and since they are operating at less than full capacity in many of these communities, an increase in the utilization of their facilities, through the processing of farm products grown on the newly irrigated lands, would be a national benefit. This is at best a poor rationalization for spending huge sums of money in order to increase the volume of business of existing farm-product processors. If the volume of farm processing is increasing faster in one area than in another area, national policy should encourage the shift of resources to that area, instead of attempting to justify the existence of processors in an area of declining farm commodity processing. The problem today is to shift excess resources out of farming into more productive areas. If the resources stay in farming, they should at least shift within the farming

sector, so they are engaged in the most profitable and productive aspect of farming. National policy in general, and reclamation expenditures in particular, should not be used to prevent this necessary mobility both within and from the agricultural sector of the economy.

Mr. President, table 3, which I have had printed in the RECORD, is entitled "Irrigation Benefits, Glen Elder Unit." The figures on the table are set forth under various headings. The items shown in table 3 are: Gross farm income, perquisites, farm expense, net farm income, farm investment, settlement opportunity, and economic growth. The table concludes with item total, item total rounded, and total annual benefits, 100-year analysis.

The table indicates that almost \$100 million is assigned to to be allocated or assigned to the indirect benefits, which are called public benefits. Public benefits, in turn, are divided into settlement opportunity benefits and economic growth benefits. Both of these types of indirect benefits are of extremely dubious validity. Since they amount to almost one-fourth of the direct benefits, they cannot be dismissed as being insignificant in making the benefit-cost ratio exceed one.

The settlement opportunity indirect benefit is supposed to be a reflection of the value the Nation as a whole puts on the family farm. This new Eckstein study shows the value as \$1,000 per family farm.

Mr. President, although I yield to no one in my high regard for the great value of the family farm, I hope we can improve conditions, so as to enable the family farms to grow. I firmly believe that the family farms are the most efficient method of agriculture mankind has ever seen. Furthermore, it is clear that the great superiority we have over

Soviet Russia is, not in our industrial production, but in our farms. In view of the great numbers—perhaps millions—of persons in many parts of Soviet Russia who are dying for lack of food, it is obvious that the great superiority which our country has over Soviet Russia is in the production of food. Therefore, we should do everything we possibly can to help the family farm prosper. Yet, Mr. President, when a value of \$1,235 is placed on each new family farm which commences operations, I think such a procedure is ridiculous; it is almost insane. Farmers themselves know that there are too many farmers and too many farms. We must reduce the number of family farms. I wish it were not necessary, but it must be done. Today one farmer can produce what it took two farmers to produce 15 years ago. So we cannot possibly justify placing a value of \$1,235 on each new family farm which might be established.

Furthermore, the proposed project would flood at least as many existing farms as the number of new farms which would be brought into existence as a result of the project. I am sure that in many cases those farms have been owned by the farm families for many years—perhaps even for hundreds of years. People have taken great pride in living on their own farms, and the value they attach to their farms is such that no amount of additional income could possibly recompense them for the loss of their farms. But this project would cause the destruction of all those farms—and for what benefit? Only in order to make it possible for 60 new family farms to be brought into production; and for that purpose the completely arbitrary value of \$1,235 is placed on each new family farm which opens up as the result of the irrigation. Since there will be 60 new family farms as the result of this project, this indirect benefit is valued at \$74,000 for the project. This is an unfortunate way to build up the benefits numerator. Even if \$1,235 had any meaning whatsoever, it would not be of any real value unless dollar values could be placed on other imponderable, intangible, and unmeasurable national goals, such as equity, justice, competition, the democratic process, and so forth, and especially at a time when we are doing all we possibly can to reduce the number of family farms, so that those which remain can be prosperous.

NO ALLOWANCE FOR FARMS FLOODED

Mr. President, the value of the economic growth indirect benefit is obtained by multiplying the total direct benefits of \$450,000 by 5 percent. This 5 percent is admittedly a completely arbitrary figure used to put a value on a completely intangible quantity. Again this is an unfortunate and misleading way to build up the benefits in order to get the ratio over one.

While economic growth is surely a national goal and policy, the achievement of that goal is not provided for by placing arbitrary values on it. Even if all development projects were compared

and selected so that only those that contributed the most to economic growth were chosen, it is not likely that high economic growth would be achieved as long as such meaningless and arbitrary values reflecting that growth were used. Until we can put dollar values on all other national goals, we should not attribute arbitrary values to any one goal in such a manner as may divert resources from other goals which may be more crucial or pressing.

Mr. President, in preparing for this talk, I wrote to the Executive Office of the President, Bureau of the Budget. As a matter of fact, I did it in preparation for my appearance before the Appropriations Committee last June. I wrote the Director of the Budget, and I received a reply on May 16, dealing with the Glen Elder project. I had asked Mr. Staats, in the Bureau of the Budget, to give me information on the discount factor, because I contend that the use of a discount factor of 2½ percent—that saying the cost of the interest for this project is 2½ percent, when the Government has to pay 4 percent or more for money—is not realistic and is not telling the Congress the truth in providing the full or adequate cost of this project. I received the following reply from Mr. Staats:

The following information is being furnished in reply to your letter of May 2, 1962, requesting certain information with respect to discount rates used in determining the present worth of benefits from water-resource development projects. The following paragraphs are numbered to correspond with the questions raised in your letter.

1. The use of a 2½-percent interest rate is generally justified along the following lines. In matters of natural resources conservation, in the judgment of some persons, the Nation is willing to sacrifice present consumption for very little additional future consumption; or stated differently, our society discounts future benefits by only 2½ percent in these matters. These persons believe that the Nation's time preference is reflected in a discount rate of between 2 and 3 percent and 2½ percent is used because it is the midpoint between the two figures. Another argument sometimes used is that the discount rate should be a fixed rate; that is, an unvarying rate, to provide a uniform basis for comparing projects which are formulated in different years. The interest rate calculated under the Budget Circular A-47 formula was 2½ percent for many years.

2. The A-47 interest rate for the fiscal year 1962 is 2½ percent. The computation under the A-47 formula resulted in a figure of 2.742 percent. However, under the A-47 formula if the calculated rate is not a multiple of one-eighth of 1 percent, it is rounded downward to the nearest one-eighth of 1 percent. It should be noted that while the Bureau of Reclamation does formulate its projects on the basis of the 2½-percent rate and an evaluation period of 100 years, it is also calculated a benefit-cost ratio using the A-47 interest rate and 50 years.

3. If section 15 of Budget Circular A-47 read in terms of actual yields instead of face rates, the discount rate would be 3¼ percent.

In other words, if it was a realistic figure, if it was an honest discount factor, if it was based on facts, the interest figure would be far more than 2½ percent. As a matter of fact, 3¾ percent is half again as great. It would enorm-

ously increase the cost of all of these projects. It would put us, however, in the position of getting the facts as far as the taxpayer is concerned; of recognizing that the cost of the interest the Government has to pay in order to borrow the money, to pay for the manpower and material that will go into the building of the dam, is every bit as real a cost as is the cost of concrete and wages. It is a real cost. The Bureau of the Budget states that the real cost would be 3¾ percent.

The letter continues:

4. If section 15 read in terms of obligations that had 15 years or more to run before maturity or call date at the time the calculation was made rather than at the time of the issue of the obligation, the rate would be 3½ percent based on yield rates or 3¼ percent based on face rates.

5. The present average yield on all outstanding interest bearing marketable securities of the United States which currently have 15 or more years to run, regardless of the face maturity or face rates of interest is 3½ percent. This average is based on figures as of April 30, 1962. The rates indicated in paragraphs 2, 3, and 4 above are based on figures as of June 30, 1961.

The above rates were calculated by the Treasury Department. We requested their assistance since they furnish us the rate to be used under section 15 of Budget Circular No. A-47. I hope that the above information fully answers your questions.

Sincerely yours,

ELMER B. STAATS,
Deputy Director.

In other words, we are told, if this debt were to reflect the 15-year maturities, the rate would not be 2½ percent—a rate which provides a totally unrealistic picture of cost, and which diminishes the cost as justifying this kind of expenditure. If, instead, it was fixed at 4 percent, then it would reflect a real cost, because the Bureau of the Budget says that 3¾ percent is the rate of interest they have to pay for money they get for more than a 15-year period.

But this is a 100-year period, and if we had to pay for money borrowed for a 100-year period, the interest rate would be far more than 3¾ percent. That is why I argue that a 4-percent figure is a minimal and very conservative estimate of the cost.

The conviction I have about the discount factor is one about which I feel very deeply. Some 6 weeks ago, I made a speech on the Senate floor and submitted a resolution calling for a study of the discount factor. It was cosponsored by the Senator from Ohio [Mr. LAUSCHE]. I submitted the resolution on August 9. In it was contained the following statement of congressional intent:

Whereas if public funds are to be used to best advantage, the most economically feasible projects should be selected for authorization, so that funds are not denied to prospective water resource projects which would yield larger economic benefits over the years, and to insure that public funds are properly allocated to all private and public uses;

Whereas the proper choice of the best projects from many alternative uses requires that a discount rate be used which is realistic in terms of the public interest and all economic factors;

Whereas it is important that any rate of discount used for these important economic choices should be determined by the Congress;

Whereas the estimation of benefits for any project for any future time period includes the evaluation of many uncertainties and imponderables, and the longer the time period for which the projection is being made, the more uncertain the estimated benefits will be;

Whereas the uncertainties associated with a longer period of analysis indicate that the discount rate should be higher so that the more uncertain benefits of the more distant future are not given the same weight as the more certain benefits which are estimated to come about in the near future in determining the selection of alternative water resource development projects; and

Whereas the present policy is to use the same discount rate, which currently is approximately 2.5 per centum, in analyzing the benefit-cost ratio of projects where the period of analysis is more than 50 years and as much as 100 years and of projects where such period is less than 50 years—

For this reason I asked that the Senate pass a resolution stating:

Resolved, That it is the sense of the Senate that in cases where the period of analysis with respect to the useful life of a water resource development project is more than 50 years the discount rate used for the purpose of such analysis should be greater than in cases where such period is 50 years or less and should be at least equal to the average rate of interest payable by the Treasury on interest bearing marketable securities of the United States outstanding on the last day of the fiscal year preceding such analysis which on such day had 15 years or more remaining before reaching maturing, such average rate being currently approximately 4 per centum.

In this case, the period of time would be 100 years.

Mr. President, the difficulty arises because the expected benefits are calculated over a 100-year span. Of course, the particular discount rate taken is all important in computing the value of the benefit to be received 25, 50, 75, or 100 years from today.

(At this point Mr. HUMPHREY assumed the chair as Presiding Officer.)

Mr. PROXMIRE. If a discount rate of 2½ percent is used, then the benefits will be higher.

The fact is, Mr. President, we have been able to exaggerate the benefits by accepting a discount rate which has no relationship whatsoever to the best and best known measurement of future value; that is, the going interest rate. The example I would use is an example with which everyone I know is familiar, the example of buying a house. How would Senators like to pay for their houses at an interest rate of 2½ percent, and take 100 years to pay?

That may sound pretty farfetched, but the costs and benefits for all Federal water resource and construction projects are now calculated on the basis of these wholly unrealistic assumptions. This amounts to a gross deception. The person deceived, of course, basically, is the American taxpayer.

No taxpayer in his right mind would invest funds at only 2½-percent interest. He could do far better than that by putting them in absolutely safe Gov-

ernment bonds or in a federally insured savings account.

But the return from tax dollars invested in the steel and concrete of Federal projects is discounted at the completely unrealistic 2½-percent figure—even though the lowest long-term rate on Government bonds, which the U.S. Government pays when it borrows money, is now over 4 percent.

Any private individual who has ever tried to borrow money knows that a 100-year term is outrageously long. Forty years is the absolute maximum usually allowed, and that only in exceptional cases.

But in figuring the benefits on a Federal project, a 100-year lifespan is used automatically. Since many water resource projects and highway projects on the average end their useful life sooner than that, this means that others must be expected to last 200 or 300 years. This assumption is utterly ridiculous.

As a result of these assumptions, the benefits of Federal projects are grossly overstated. The costs are seriously understated. If meaningful assumptions were used, the cost of many multimillion-dollar projects would vastly exceed all alleged benefits.

But in the Alice-in-Wonderland world of Federal projects these economic fallacies and distortions continue.

Therefore, I submitted the resolution to provide that if a longer-than-50-years project life is assumed to calculate benefits, then the minimum rate at which the U.S. Government can borrow money for long periods should be used to calculate the discount over time.

We should not adopt the 2½-percent figure instead of the 4-percent figure. We should include all costs of the projects, including the cost of the farm program and the full cost to the taxpayer of interest.

Unless the higher figure is used, and ridiculous as it sounds, the American taxpayer would be better off taking the money for these projects, investing it in Government bonds, and making lavish direct cash payments to the beneficiaries of the projects. This cost would be substantially less to the U.S. Treasury.

Mr. President, I have challenged a number of people to show that this is not correct. If, instead of building the \$60 million dam, the Government should simply take the interest income from Federal obligations and pay it to the farmers who would benefit from the dam and pay it to all the other people who possibly could receive any benefit, whether flood control or irrigation benefits, the cost to the Federal Government—if all the benefits are calculated on the most optimistic assumptions—would be reduced about 50 percent. The cost would be that much less. That is how utterly wasteful, how incredibly stupid it is to build a dam which cannot be justified. This is what happens when we accept the 2½ percent discount factor, which is totally unrealistic, and a 100-year life, which cannot possibly be justified, and apply them under these circumstances.

Mr. President, on previous occasions the Senate has expressed itself on var-

ious features of the benefit-cost ratios which are the primary tool used in the evaluation of the economic merit of alternative water resource projects. But it has never explicitly considered and adopted a rate of discount which is a very crucial part of any benefit-cost ratio. A very small change in the size of the discount factor could cause very large changes in the benefit-cost ratio itself. In spite of the importance of the choice of the proper discount rate, Congress has no choice but to use the rate of discount used by the administrative agencies. A very long calculation process is required to work out a benefit-cost ratio using any particular discount factor. If the benefit-cost ratios presented to Congress by the executive agencies have been computed only on the basis of one discount rate, it is not feasible to expect individual Congressman to repeat the long, involved calculation to obtain a benefit-cost ratio which uses a discount factor which might be felt to be more realistic.

ADMINISTRATION STANDARDS BADLY OVERSTATE VALUE OF PROPOSED PROJECTS

The discount factor and the period used for analysis:

It is not enough to estimate the benefits which are likely to result from some project over either a 50- or 100-year period. In order to compare the future benefits of a project with costs which have to be incurred in the present, it is necessary to obtain the present discounted value of all these future benefits. The only way a dollar receivable a year from now can be compared with a dollar today, is to apply some discount factor to that dollar which is receivable a year from now. The present discounted value of a dollar receivable a year from now is about .98 if the discount factor or rate of interest is 2.5 percent, but it is only about .96 if the discount factor or rate of interest is 5 percent.

This suggests that while the process of discounting is important, the level of the discount rate used is very important.

The concepts behind this arithmetic relation are more difficult to isolate, especially in a particular problem such as this. What is the discount factor supposed to measure? What is the discounting procedure supposed to accomplish besides providing for the comparability of dollar amounts at different points in time?

PRESENT STANDARD SERIOUSLY MISALLOCATES RESOURCES

One justification for a very high discount factor such as 10 percent is that it is the rate which indicates the rate of return or productivity on private capital, in real terms. The question concerns the best alternative uses of scarce capital. If real resources or real capital can be used in the private sector and yield a 10-percent rate of return, there is little justification for using those scarce resources in some Government project which would not be economically justified unless some very low rate of discount like 2.5 percent, was used. In these terms, the rate of discount used should reflect the real productivity of

that capital in the best alternative use. If the alternative use in the private sector is quite profitable with a real rate of return of 10 percent on it, that should be the rate which is used to obtain the present discounted values of the future stream of benefits from the Government project. Otherwise it is possible that resources would be misallocated as the result of using those scarce resources in the Government project, rather than for the more profitable on the private project. The increased yield or profit, in real terms, on the private would tend to be better from the national point of view than would the Government project which would not be justified unless some much smaller rate of discount was used.

The size of the discount factor is thus one way of considering the full social costs of any Government project. The larger the private production which has to be foregone as the result of the Federal expenditure, the larger the discount factor should be, and the less the present value of the future benefits will be. This is just another way of saying that the more private production or benefits in the future which are foregone, the less the present value should be which is placed on the future benefits derived from the Government project.

**RATE OF INTEREST ON NATIONAL DEBT IGNORED
AS DISCOUNT FACTOR**

Another alternative conceptual foundation for the selection of the proper rate of discount is the rate of interest on long-term debt. More specifically it is felt that the rate or yield on long-term marketable U.S. Government obligations can be considered the pure rate of interest; i.e., that rate which is free from any risk premiums and other distortions present in private rates of interest. At the moment this rate, on the basis of the letter from the Deputy Director of the Bureau of the Budget, would be in the neighborhood of 4 percent.

While this is less than the higher rates which reflect private profitability, it is more than the 2.5 percent which is currently being used, and therefore the use of this rate would lower the present value of all the benefits derived from this project.

This view of the proper discount factor has appeal in that the same rate is used to determine the repayment obligations of the power users and municipal water users as would be used to evaluate the benefits. In these terms it might be argued that unless the project has a yield at least as high as that which the Government has to pay to obtain the funds to build the project, the project is not justified. It may also be argued that unless the project yields additional output at the same rate which the Government imposes on those that have to repay to the Government on the reimbursable parts of the project, the project is not economically justified.

The issues involved in the use of this method of selecting the discount factor should not be confused with the issue concerning the repayment responsibility of the irrigating farmers. At the present time they are required to repay some small part of the costs which have been allocated to the irrigation part of the

project. But they do not have to pay the interest on that part of the cost which has been allocated to them and which they are obligated to repay. This amounts to a significant subsidy in itself, but it is quite distinct from the issue of using a discount factor which is too low and therefore one which tends to overstate the present value of the benefits.

There is only one argument that is usually made in favor of such a low rate of discount as used by the Bureau of Reclamation. It is argued that any current rate of interest or yield on capital does give any indication or weight to the needs of future generations. Since the Government has a responsibility to look out for the future generations as well as for the present, the Government should not accept discount factors which reflect the present generation's desire to live well now at the expense of future generations. This, of course, is the same idea behind conservation laws which prevent the wasteful use of wasting resources such as timber and oil. There is no known way to objectively determine such a rate of social time preference. It is almost completely a value judgment which can be made only at the highest policymaking levels of Government, if it is made at all. Perhaps Congress is willing to rationalize the present 2.5-percent rate in these terms.

**TWO-FIFTHS-PERCENT DISCOUNT FACTOR
SERIOUSLY WRONG**

This notion is open to severe criticisms. In the first place, the savings done by individuals influence the rate of interest since such savings are, of course, part of the supply which determines the price of money when combined with the demand for loanable funds. Since the savings done by individuals is frequently for the education of their children and estates for them, the concern for future generations does enter into the present rate of interest. The Government should not be expected to be any more concerned about future generations than the existing electorate.

While the discussion has been very generalized, when we are talking about the proposed project which is a dam to be used for irrigation, designed to bring more food into production and to increase the productivity of farmland, certainly the value of that project to future generations would be very small indeed in view of the enormous advances that we have made in food production—the greatest advances we have made in any area of our national life—when we consider that the Secretary of Agriculture has said that 20 years from now we shall need less land and not more, and when we recognize the marvelous improvement in soil chemistry and animal husbandry, the very great efficiency with which we have achieved farm production through farm implements and in many other ways, we realize that such developments are sure to be increased in the future. Then it seems that so far as this particular investment is concerned, we would provide no real benefit to the future. As I pointed out, we would deprive individual citizens from setting aside their money for the education of their children in the future by taking

their tax money and spending it on projects of the kind proposed. That is exactly what we would do.

Also, the projects do not last forever. Sometimes they silt in after 50 years. Thus, we are talking about benefits to the present generation to a large extent, and therefore their preferences should be controlling. In fact, if we are concerned about the future generations, we should not build the dams, since by doing so we are using a scarce resource, dam-sites, and thus preventing the future generations from getting the most benefit out of them since they may silt up by the time the need for them is the greatest, for either flood control or irrigation.

PROJECT LIFE SERIOUSLY UNREALISTIC

At the present time the Bureau of Reclamation practice is to use the life of the project, or 100 years, whichever amount is shorter. Since it is difficult to predict the life of the project, practice has resulted in 100 years being used. The only benefit-cost ratio which appears in the justification given to the Appropriations Committee is the total benefit-cost ratio for 100 years. The definite plan report includes ratios for both 100 years and 50 years. Until recently, 50 years was used almost entirely. A table indicates the various benefit-cost ratios for various arbitrary periods of 50 and 100 years.

There was a great deal to be said for using a 50-year period instead of a 100-year period. This is especially true as long as the Bureau uses a discount factor which is completely free of any risk.

Mr. President, no one in Washington, or anywhere else in the country, or the world can tell what our situation will be 100 years from now. We do not know whether or not there will be a nuclear war. We do not know whether or not we shall have use for hydroelectric power.

There is an excellent chance that we may be using nuclear power a hundred years from now. There is an excellent chance that a hundred years from now there will be an entirely different system of agriculture than at the present time. Therefore, the risk factor for the Government, which puts up the money, is a real factor when we deal with a hundred-year period.

There are many different justifications, for many different discount rates and periods of analysis to be used in calculating benefit-cost ratios. This is a problem that has attracted much attention by economists, engineers, and other independent experts recently. While this diversity of approach characterizes the scholarly studies that have been made, all of them are similar in one important regard. All feel that the discount rate should be higher than the 2.5 percent currently being used by the executive agencies, and which obtained new administrative approval in the President's newly proposed standards. It is difficult to ignore the arguments and the conclusions of these studies. It would be irresponsible on the part of Congress to continue to use the economic discount rate standards suggested by the administration without explicitly considering these alternatives. It may very

well be that there are good reasons why a 2.5-percent discount rate and a 100-year period of analysis can be accepted by Congress. If there are such reasons, they have not yet been made known to Congress, for the good reason that Congress has not yet carefully considered this matter.

The following quotes from these books and journal articles indicate the nature of the problem, and the alternatives which have yet to be considered by Congress.

RESOLUTION PRACTICAL

I feel that this resolution would provide a legitimate compromise between the present practice, and some of these alternative proposals which have so much merit in terms of affecting a more reasonable allocation of scarce tax dollars among alternative uses.

That is why I am proposing 4 percent as a realistic factor for this project and all other projects, and contend to other Members of the Senate that the 4 percent factor is much more realistic.

This resolution would make clear congressional intent in this vital area. It would permit the continued use of a 2.5-percent discount rate if the period of analysis is 50 years. This is reasonable since the shorter time period would result in more certain estimates of the future expected benefits being made. And the 2.5 percent might be justified by the reasons suggested earlier, that is such a low rate of discount might be said to reflect this generation's desire to leave more for the subsequent generations.

However, if a 100-year period of analysis is used, then this resolution would indicate that a larger discount factor should be used; namely, the discount factor determined by the current average yield on all long-term Government bonds that currently have more than 10 years to run before maturity. By using a higher discount rate, proper weight is given to the more uncertain benefits which are estimated to come about during the much longer period which has been attributed to the project for purposes of accruing benefits.

I quote from an article on the subject, from a fine book written by Jack Hirshleifer, James C. De Haven, and Jerome W. Milliman. The book is entitled "Water Supply: Economic, Technology, and Policy."

OBJECTIONS TO THIS SOLUTION

Most of the objections considered earlier in connection with the economic theory of choice in general—in particular, the existence of extraeconomic values, the problem of "higher" and "lower" tastes, the dependence of the solution upon the existing distribution of wealth and talents, the existence of market imperfections, and divergences between private and social costs—are also relevant for the economic theory of intertemporal decision; but, since they do not involve the latter in any unique way, we shall not attempt to discuss them further here. There are, however, a number of more or less cogent objections to the classical theory that apply exclusively or with particular force when intertemporal decisions are considered. In the former category is the question of how to weigh the claims of posterity properly as against the claims of current generations.

This is very crucial here.

I continue reading:

Another, somewhat technical, consideration is the argument that the interest rate is not an outcome of market forces but rather a datum arbitrarily under control of government. In the latter category we will discuss market imperfections peculiar to the capital market itself.

THE CLAIMS OF POSTERITY

The allegation that market determinations of values as between present and future goods and services neglect the claims of future generations is at the heart of the more sophisticated expositions of "conservationist" philosophy. It is true that men do to some extent save for the benefit of their heirs and so do take the claims of future generations into account insofar as these make themselves indirectly felt through the affections of the present generation. But conservationists may maintain, the market does not of itself provide any direct way for the needs and desires of unborn individuals to influence current choices between consumption for the benefit of the present and investment for the benefit of the future. Consequently, human selfishness being what it is, the decisions actually made through the market are almost bound to be one-sided. According to one view: "It is the clear duty of government, which is the trustee of unborn generations, as well as for its present citizens, to watch over, and if need be, by legislative enactment, to defend the exhaustible resources of the country from rash and reckless spoliation."¹ (We may, as an aside, reiterate the doubts we expressed earlier about such preaching of the "duties of government," with its implicit assumption that government is the repository and defender of social conscience on all economic questions rather than a complex institution composed of human beings with their own self-centered needs and desires.)

If, in fact, the Government seeks deliberately to act as the trustee of future generations, there is a variety of instrumentalities available. For preservation of fish and game resources there are license fees, season and bag limits, protected species, size limitations, and numerical quotas. Subsidies are granted farmers under a number of programs whose official purpose is to encourage them to undertake future-directed investments. Certificates of rapid tax amortization have had somewhat the same effect in the industrial sector, though the official purpose here is development of a mobilization base for national defense. In the case of oil and natural gas, monthly extraction quotas are established by a number of the major producing States. (In this and some other of the instances cited, the allegation has been made that the official purpose of conservation is rather less important than the actual purpose of holding down production for purposes of monopolistic gain.) In a few cases, regulation of one type or another has been applied to prevent drawing-down of underground water levels by pumping.

For the present, however, we want to restrict our consideration to the question of possible intervention through the interest rate to validate the claims of future generations. There are two general ways by which the Government could attempt to counteract the effect of an "excessively" high interest rate or discount of future costs and benefits. The first is to let the market rate govern in the private sphere but, in the Government's own operations,

to make decisions on the basis of a somewhat lower rate. This is actually done today, though as a more or less accidental consequence of tax legislation rather than as a deliberate policy. Thus, costs and benefits of Federal projects are normally discounted at rates between 2.5 and 4 percent, whereas even for conservative investments in the private sphere the future is likely to be discounted at a much steeper rate—6 percent after taxes or 10 percent before taxes may not be untypical.

It is simple to show that the existence of differing rates of discount for public and private investments, after adjustment for risk, is undesirable on efficiency grounds. Assuming that the private and public spheres are divided on some principle which need not concern us here, the adoption, say, of a 3-percent discount rate in the public sphere and a 6-percent rate in the private sphere for investments of comparable risk means that there will be investments in the private sphere not undertaken because they will not be justified except for discount rates below, say, 5 percent. Meanwhile, however, projects yielding only 3 percent are being adopted in the public sphere. On efficiency grounds the disparity of interest rates will lead to the adoption of public projects that are less productive than private projects not being adopted. Note that the question of the claims of the future versus the present does not enter into this conclusion. The disparity of interest rates means that, given the aggregate amount of present sacrifice, less is provided for the future when less productive investments are undertaken.

The argument is that we do not provide for the future by making less productive investments. This is exactly what happens when we adopt a discount rate that persuades Congress to invest in a project whose benefits will be meager, and can only be justified by adopting an extraordinarily low and very unrealistic rate of interest.

That is exactly the case in the Glen Elder project. If this money were to be used in private areas, it would necessarily be used in a more productive way, because it simply is not possible to borrow money at 2½ percent. The Glen Elder project as a private enterprise would automatically be "out." Private industry would invest in a more productive area; and by "productive" I mean in resources or in projects which would yield more to future generations—to this generation and to future generations.

I think this is a very significant answer to those who say that we look out for future generations better by having a low discount rate. They urge that we persuade the Government to build a project which may seem to have a low desirability because, after all, it is building for the future. But primarily we are building for the present; if these less desirable projects were not built, all the manpower, all the investment capability, all the material would be invested in more productive, more useful facilities.

The values attached to benefits and costs at their time of accrual can be made comparable only after conversion to an equivalent basis for time and degree of certainty of occurrence. Interest and discount rates and risk allowances provide a means for giving monetary expression to differences in the time and certainty of occurrence of benefits and costs.

Prevailing interest and discount rates for loans and investments usually reflect both

¹ A. C. Pigou, "Economics of Welfare" (4th ed.; London, 1932), p. 29. The views of Pigou and a number of other authors are described in A. Scott, "Natural Resources: The Economics of Conservation" (Toronto: University of Toronto Press, 1955), pp. 88-97.

the "time" and "risk" elements. The wide range in such rates arises largely out of differences in the estimated risk on various types of loans or investments. However, ways other than adjustments in the interest and discount rate are available in benefit-cost analysis for treating at least part of the risk associated with a particular project. To the extent feasible, direct or specific risk allowances should be made. This would leave the interest or discount rate with the primary function of adjusting estimates for time of occurrence plus residual risks. It would be expected, however, that the total allowance for risk and interest appropriate in the analysis of a Federal project would be comparable with such allowance for private undertaking involving similar risk, uncertainty, and longevity.

Risk allowances: Adjustments for risk take account of the hazards and uncertainties that intervene between the commitment or investment of resources and the accrual of benefits. There are two principal types or categories of risk for which allowance must be made in benefit-cost analysis. One type is predictable, since bases are available to calculate the probability or frequency of losses associated with its occurrence. For predictable risks, the value attached may be converted into a reasonably certain annual amount, either through insurance or an appropriate allowance. To the extent feasible, the value of all predictable risks should be converted to an annual or present worth basis and allowed for either as a deduction from benefits or as an addition to project costs. For example, where losses from fires, storms, pests, and diseases, or the costs of their prevention, if such is possible, can be estimated with reasonable assurance, the returns available to justify investment costs should be reduced accordingly. The estimate of the resulting net returns would thus be as free as possible of all predictable risks.

Risks in the form of uncertainties for which no appropriate basis is available for prediction include the probability of errors in estimating benefits and costs due to such factors as fluctuations in the levels of economic activity, technological changes and innovations, and other unforeseeable developments adversely affecting the cost or value of project services. Risk allowances for this group of uncertainties must be based largely upon judgment, since precise information is not available for calculating their value.

Methods of allowing for uncertainties or unpredictable risks include the use of estimates of benefits that are reasonably conservative; the assumption of a limited economic life, with minimum allowances for salvage, which results in amortization of costs within the limited economic life (see following section); a risk component in the discount rate, safety margin requirements in project formulation, such as designing projects short of the marginal limit on scale of development or including a contingency reserve in project costs to cover unforeseeable developments; and finally, selection only of the more desirable projects.

Summary of recommendations on risk: It is recommended that net returns exclude all predictable risks, either by deducting them from benefits or adding them to project costs, usually on a present worth or annual equivalent basis. Allowance for uncertainties or unpredictable risks in benefit accrual should be made indirectly by the use of conservative estimates of net benefits, requirement of safety margins in planning, or including a risk component in the discount rate.

Interest and discount rates: The monetary values of benefits and costs that accrue at varying times are comparable only if all are adjusted to a uniform time basis. The use of interest rates provides a means for con-

verting estimates to a common time point or period.

Interest and discount arise because of the competing demands that exist for limited supplies of savings available for capital investments yielding returns in the future. The demand for savings stems largely from the opportunities for productive use of capital. With the supply of existing capital and savings limited, opportunities exist for new capital investment that over a period of time will yield a return in excess of the initial investment involves. Thus, the opportunities of obtaining net returns over costs from the utilization of income-yielding goods constitute a major source of demand for savings. The supply of individual savings available for investment is limited principally by the preference of individuals for present over future goods. Because of the higher valuations that individuals place on present goods, a payment in the form of interest is needed to induce savings and compensate for the current use that is forgone. Consequently, interest rates may be considered as an expression of the exchange relationship between present and future goods. This premium or interest rate is the added value of having resources presently available in comparison with future values. For comparison with present costs, the determination of the present worth of goods available in the future involves scaling down, or discounting their future values.

With limited amounts of resources available for capital investment, the interest cost of investing such resources in a water development is measured by the rate of return that would be realized if the capital were invested in other uses of comparable risk and duration. This cost is over and above allowances for risk and arises whether a private or public viewpoint is involved. As explained in the preceding section, adequate allowance for risk should be made, to the fullest practicable extent, in the estimates of benefits and costs. On this basis, the minimum interest rate appropriate for use in project evaluation for converting estimates of benefits and costs to a common time basis is the risk-free return expected to be realized on capital invested in alternative uses. At a given time this rate is the projected average rate of return; i.e., yield, expected to prevail over the period of analysis, in the absence of inflationary or deflationary changes in the general price level, on such relatively risk-free investments as long-term Government bonds. Although apparently involving considerations generally similar to those in the projection of prices, only limited attention has been given to the problem of developing projected interest rates. Pending development of a projected rate, the average yield on long-term Federal bonds (preferably rounded to the nearest one-fourth of 1 percent) over a sufficiently long period of time to average out the influence of cyclical fluctuations might be uniformly used by all agencies as an approximation of the expected long-term, essentially risk-free rate.

Use of the minimum risk-free rate assumes that risk elements have been adequately accounted for in the calculations of benefits and costs. If it is found impracticable or impossible to make the estimates of project effects on a risk-free basis, the risk allowance would have to be accounted for by an increment in the interest or discount rate applied to deferred effects. These considerations are of particular significance in evaluating associated costs and converting benefits to present worth or to a uniform annual rate. Thus, in the evaluation of associated costs and irregularly accruing benefits it should be recognized that the relatively risk-free long-term interest rates are inappropriate. The recommended interest rates for evaluating these effects should be those considered to be applicable to participants after analysis of the specific situation.

The economic analysis should also include a comparison of the cost of a project or increment thereof with available alternative means of accomplishing the specific purposes involved. In making such comparisons the project basis for treating interest should also be used for the alternative, with any necessary adjustments for differences in risk.

Summary of interest rate recommendations: It is recommended that estimates of benefits and costs accruing at various times should be made comparable by adjustment to a uniform time basis through the use of projected long-range interest rates. Pending the development of such rates, the average rate of return; i.e., yield, on long-term Federal bonds over a sufficiently long period of time to average out the influence of cyclical fluctuations is considered appropriate for uniform application by all agencies on the condition that adequate allowance has been made for uncertainties and risks. If such allowance is not possible, a component for risk should be included in the interest rate as may be the case for irregularly accruing benefits and associated costs. In comparing the cost of a project or increment thereof with alternative means of accomplishing the purposes involved, the treatment of interest for the alternative should be on a basis comparable with that of the project, with any necessary adjustments for differences in risk.

PERIOD OF ANALYSIS

A number of economic and physical forces limit the economic life of any project. Physical depreciation, obsolescence, changing requirements for project services, and time discount and allowances for risk and uncertainty may limit the present value of future project services. The upper limit of the economic life of a project is reached when the foregoing factors cause the costs of continuing the project to exceed the additional benefits expected from continuation. As so used, the economic life is generally less, and never more, than the physical life of a project.

This is something we are inclined to forget. It is something that is greatly distorted, because we have made an assumption that the Glen Elder project, for example, and many others, have a 100-year life. It may be possible, although I think it is unlikely, that this project or similar projects will have a physical 100-year life, because they will be silted in and there are other developments which could result in their being physically useless before 100 years.

But it is the economic factor which is very likely to make this particular dam uneconomic and useless in less than 100 years. Actually, I think a strong argument could be made on the basis of the petitions we have received from 90 percent of the farmers who live in this area that the economic life of the project is zero. They will not subscribe to it, they will not develop it, or use it, or take advantage of it. So the economic life must be considered. That is why I feel it is so unwise for the administration to use a 100-year rather than a 50-year life in connection with all these projects, especially when it is obvious that the only way the projects can reach unity in the benefit-cost ratio is to adopt a 100-year life. For, if the more realistic 50-year life is used, the projects simply cannot be justified; on any basis the cost exceeds the benefits.

Although the economic life of a project establishes an upper limit on the period of analysis, it may be desirable to use a period short of this limit for economic analysis

in order to provide additional allowance for risk. Conservative estimates of salvage values and of the productive life of initial installations and of replacements, and allowances for operation and maintenance sufficient to provide full operating conditions throughout the period of analysis, justify reducing other allowances for risk and uncertainty.

Furthermore, in certain cases it may be advantageous to gear the period of analysis to the expected economic life of the major initial structure, or, where there is considerable variation in the expected life for various purposes, the probable life for each purpose may be used. The decision whether or not to replace the project at the end of the productive life of the basic structure can be made at a later time and is not an essential consideration or a necessary part of the initial project formulation or justification. In the case of major structural replacements, such as a set of navigation locks, the period of analysis needs to be of sufficient length to cover only the benefits and costs associated with the first or initial cycle of a project, even though economic life may be extended through successive replacements.

The difficulties and the uncertainty associated with estimating the value of remote effects provide another justification for limiting the period of analysis. Even though the character of the basic structures may allow an extended economic life, or the possibilities of replacement may be such as to suggest a continuing life, the limitations on the reliability of estimates projected into the distant future and their small present value when discounted provide reasons for selecting a maximum evaluation period.

It is recommended that a period of analysis of 100 years be considered as the upper limit on economic life. In cases where obsolescence is likely to be an important factor, use of an economic life substantially less than this upper limit, possibly not exceeding 50 years, may be warranted. Justification for the 100-year upper limit lies in the increasing uncertainty involved in predicting the more remote future and in the likelihood that any benefits and costs accruing beyond a 100-year cutoff would be largely offsetting in their amounts. Because of the low present worth of remote benefits, any benefits accruing beyond a 100-year period will seldom change the benefit-cost estimates significantly.

Any resources remaining at the end of the period of analysis should be valued in terms of their nonproject uses. For example, in the case of land, the salvage value should be based on its potential use at the termination of the project, but not to exceed the initial cost or value of the land adjusted for any improvement or damages resulting from the project. For most other remaining resources, the salvage value would be either junk values or values of such goods for use in other locations, after allowance for transportation or reinstallation.

Establishing the length of the period of analysis and the basis for salvage determines the amortization period and the amount of the net capital investment to be amortized.

I read further from the article:

The logical basis for estimating benefits and costs accruing during the period of analysis should be in accordance with the changes in productivity or operating capacity expected during the assumed economic life.

In this particular case there was no reference to productivity, operating capacity, or obsolescence; there was no consideration of risk or of the physical condition at the end of the period of amortization. No such considerations

were involved. Instead, a 100-year period was used, merely because it was available and because it was the only basis on which it was possible to arrive at a favorable ratio.

Mr. President, Arnold C. Harberger, associate professor of economics at the University of Chicago, who has appeared a number of times before our Joint Economic Committee, and is a very real expert on matters such as these, has stated, in a paper entitled "The Interest Rate in Cost-Benefit Analysis":

It would be hard to overstate the importance of the interest rate used in the discounting of benefits and costs to judge the worthwhileness of proposed long-term Federal investments. Suppose a project were expected to yield benefits of \$1 million a year beginning 5 years from the initiation of construction and extending indefinitely into the future. Using an interest rate of 2½ percent, we would evaluate this stream of expected benefits at \$35.36 million as of the date of initiation of the project. But if we were to use a 6-percent rate, our evaluation would be no more than \$12.45 million. The choice of interest rate becomes more critical, the longer the duration of the project in question, and the longer the lag between the beginning of construction and the time when benefits begin to accrue. Clearly, major mistakes can be made if the wrong interest rate is used in evaluation. If the cost of the above project were \$20 million, it would be a fine investment if 2½ percent were the right rate and a terrible mistake if 6 percent were the right rate. I propose to argue in this paper that a rate of 6 percent or better is the proper rate to use in evaluating Federal projects.

Mr. President, I do not argue for that; I would be far more generous on that score than Professor Harberger is.

I read further:

This compares with a rate of 2½ percent most commonly used by the Government agencies which undertake cost-benefit analyses.

The justification most commonly given for the use of the 2½-percent rate is that that is the rate at which the Government can borrow. This, of course, is no longer true; perhaps a 3½-percent rate would accord better with the present state of the money market. Be that as it may, my argument for a rate of 6 percent or better does not depend critically on the state of the money market. It holds equally well for the easy-money days immediately following the Second World War and for the hard-money period through which we are now passing.

The essence of my argument is that there exist and have existed ever since the war widespread opportunities for investments yielding 6 and 8 percent and higher. So long as such opportunities are available, our society does itself a disservice by investing at yields of merely 2½ or 3½ percent. The opportunities I speak of are those at the margins of industrial and agricultural investment, and I suspect it is also true that investment in residential construction might yield close to 6 percent.

I am sure that is so; I am sure that a study of mortgages and real estate investments will show that that is the case.

I read further from the paper:

Let us consider a typical industrial investment. Let it be financed half out of equity (or retained earnings) and half out of borrowings. What must it yield in order that it be a successful investment in the market sense? Presumably, the total yield should be sufficient to pay the interest on the bor-

rowings and provide a rate of return on the newly invested equity equal to the market rate of return on equity. Taking figures which are reasonably representative of the period since the war, let us assume the interest charge on borrowings to be 4 percent, and the earnings yield of equities to be 10 percent. This earnings yield is, of course, after taxes; the before-tax yield of equity capital has typically been in the order of 20 percent. Thus our typical successful investment yields 4 percent on half the invested funds and 20 percent on the other half, making the rate of return on the whole equal to 12 percent. It may be objected that the 10-percent figure for earnings yield, while representative of the whole postwar period, has been rendered obsolete by the great rise in stock prices that has occurred. For recent years a figure of 7 percent might be better for the after-tax yield of equities. This means 14 percent before tax, and together with a 4-percent borrowing rate applied to half the total capital implies an overall yield on capital of 9 percent, rather than the 12-percent figure obtained earlier.

Another approach to estimating the rate of return on capital in the United States is to compare total income received on account of capital with the total value of the capital itself. Neither of these components is easy to estimate, but much work has been done in recent years to improve our knowledge of both. In spite of the lack of absolute precision in the presently available estimates, one may feel quite confident that the stock of capital in the United States is somewhere between three and four times the national income, and that the income accruing to capital amounts to somewhere between one-third and one-fourth of the national income. Our estimate of the rate of return on capital in the overall economy lies, then, in the range between 6¼ percent (income of one-fourth divided by capital of 4) and 11.1 percent (income of one-third divided by capital of 3), and probably closer to the middle than to the extremes of the range.

In other words, Professor Harberger estimates that the average rate of return on capital is around 8 percent. Obviously then, to take a 2½ percent discount factor as justification for Government spending, whenever it is possible to find a satisfactory benefit-cost ratio based on an assumed 2½ percent interest rate, would result in having the Government engage in projects of far less value than the average of projects developed throughout our economy.

According to Professor Harberger's evaluation, the value of such projects would be perhaps one-half of the average value of the projects already undertaken in the Nation; and instead of investing in projects which could easily return 6 percent or more, the Government would be saying, "No, we will invest the money in projects which will yield only 2½ percent." So I think the argument by Professor Harberger has real merit.

I read further from his paper:

In the case of agriculture we have a reasonably good measure of the return on capital in the ratio of the gross rent paid to the value of rented farms. For 12 Corn Belt States this rent/value ratio ranged from an average of 5½ percent in Ohio to an average of 8½ percent in Wisconsin—

Wisconsin is the high—

with most States averaging between 6 and 7 percent. The figures are for 1954-57, and apply to farms rented wholly for cash.

It is clear that there do exist many alternative investments yielding 6 percent and more per year. One might ask, however, whether these differ substantially from typical Government projects in their degree of riskiness, so as to warrant a substantially different rate of return. I cannot help but feel that Federal projects are highly similar in their degree of riskiness to many private projects. Both power and irrigation facilities are provided by the private market, side by side with Federal installations, as are, from time to time, river and harbor improvements, flood-control facilities, etc. These rank, to the best of my judgment, neither as especially safe nor especially risky investments. It therefore seems reasonable to expect that Federal investments in these activities should pay off at least at 6 percent, which, as we have seen, appears to be somewhat below the average return on investments in the private sector of the economy. The purpose of Federal investment is, I believe, to improve our level of living and that of our children; the measure of this improvement is provided in dollar terms through the estimation of benefits. There seems little or no justification for the Government's withdrawing resources from the private sector unless these will yield as much improvement in levels of living as ordinary private investments.

My recommending the use of a substantially higher interest rate in cost-benefit analysis does not imply any prejudgment that serious mistakes were made because a lower rate was used. If estimated benefits were 5 times costs using a 2½-percent rate, they would likely turn out to exceed costs, though by a smaller margin, when a 6- to 8-percent rate was used. It is the projects which are marginal in the first place that look bad when a higher rate is used. It is accordingly of interest to inquire whether projects actually undertaken could pass the test of a higher interest rate. A group of investigators at the University of Chicago have looked into this question, using the same benefit and cost estimates as were presented by the agency in question, but simply applying different interest rates for time discounting.

Out of 24 Bureau of Reclamation projects which were in fact undertaken, only 8 would have been judged acceptable at a 5-percent rate and only 2 at a 7½-percent rate, and only 1 at a 10-percent rate, if only primary benefits are taken into consideration. Counting secondary as well as primary benefits, 16 projects would pass the test at the 5-percent rate, 9 at the 7½-percent rate, and 4 at the 10-percent rate. Similar results emerged from a study of 29 Corps of Engineers projects.

On these 24, I estimate that 20, and perhaps 22, would have been found feasible, but the Glen Elder project would not have been found feasible.

Continuing the quotation:

However, in the case of 27 Department of Agriculture watershed programs, practically all of the projects would stand up under a 5-percent rate, and two-thirds would be acceptable at a 10-percent rate, although one must add that the estimates of benefits which are the raw material of benefit-cost analysis, appear to be subject to substantial possible error in these cases.

Thus it appears that the use of a higher rate would have precluded some, but by no means all of the projects actually undertaken. I strongly recommend and urge that future Federal investments receive scrutiny in terms of a rate of interest comparable to the return to capital in the private sector. This will lead to a better use of our resources, and in the bargain may provide some possibilities for budget limitation.

Mr. William Miller, of Auburn University, had a very fine article in the

Southern Economic Journal for April 1962, in which he stated that:

The number of Government projects which appear desirable, varies inversely to the magnitude of the rate at which their time streams of benefits and costs are discounted. Appropriately enough, the question of the proper size of the discount rate for Government enterprises has received and is receiving considerable attention from economists.

He points out that Dr. Otto Eckstein, on whose work I relied very heavily, makes certain assumptions, as follows:

Eckstein assumes that government succeeds in preventing widespread unemployment or severe inflation. Government finances itself by taxation, and enough is known of the incidence of taxes to enable economists to specify to what extent a particular tax reduces consumption or investment. Furthermore, the traditional competitive model provides a usable approximation to the American economy.

In the traditional competitive model there is one capital market ruled by one rate of interest, which is the price of capital and which brings into equality plans of savers and investors. Unfortunately for the economist, the American economy has no single capital market and no one rate of interest. Instead the capital market consists of quasi-independent sectors. Partly because of differentiation and partly because of variations of risk premiums, there is a welter of interest rates, no one of which can be used for discounting by government.

Despite the existence on a complex of interest rates, averaging provides a way out. The social cost of taxation depends on whether taxes curtail consumption or investment. If taxation reduces consumption, social costs are in Eckstein's system discoverable by averaging rates of interest, net of tax reductions permitted borrowers and net of taxes paid by recipients of property income, applicable to householders primarily in their role as debtors. If taxes come out of investment, social costs are computed by averaging interest rates and returns, net of taxes paid, on investment. By using chiefly 1955 data for the United States, Eckstein found that taxes which curtail consumption involve a social cost of 5.79 percent, that those reducing investment cost society 5.44 percent, and that the weighted average of costs resulting from both forms of taxation lies between 5 percent and 6 percent.

Here is another factor which suggests that the 2½ percent discount factor is much too low, because the tax cost in curtailing consumption—the social cost of taxes—is, as Eckstein points out, nearly 6 percent—5.9 percent—and in curtailing investment it is 5.44 percent. Therefore, to take these funds out of the spending stream, whether for consumption or investment, and to place the funds in projects which are to be valued at a 2½-percent discount factor to justify them makes no sense.

The article continues:

Interest of underdeveloped regions may justify reduction of the discount rate in order to subsidize their development.

This brief sketch is not designed to present the full flavor and content of Eckstein's contribution, but merely to raise the issues which I wish to discuss. In what follows I shall argue in the manner and sequence indicated:

1. An average of rates of interest and returns in the private sector sets too high a minimum for a number of reasons. First, it requires of public enterprise higher standards than are demanded of private firms. Second, this average at times reflects some

private rates of return that are too high. Third, the range of from 5 percent to 6 percent embodies short-run influences and perhaps an inflation premium which should be eliminated. The range of helpful discount rates seems narrow, and the number of fields of useful application appears limited.

2. Substantially the same discount rate appropriate for projects financed by taxation under circumstances of full employment should be used during mild or moderate inflation but not hyperinflation.

3. Substantially the same discount rate should be used regardless of the level of employment. Unemployment does not justify a lower rate than used during full employment.

4. Until all alternatives have been investigated and found wanting, the discount rate should not be lowered to promote development of lagging regions.

I shall not attempt to answer the question whether or not prospective returns on Government projects can be computed and shall assume that one discount rate is appropriate for a given project throughout its life.

With Eckstein let us assume full employment and balanced governmental budgets. Can we with confidence use discount rates in the 5- or 6-percent range? I shall develop three reasons why we should not so limit the range and then present a substitute range of discount rates and indicate in broad outline the type of projects to which these rates may be applied.

(1) Eckstein notes that a discount rate of between 5 and 6 percent would rule out most water resource development projects as outlined in plans sponsored and under consideration in 1953-55. Perhaps less rigorous standards would eliminate almost as many, but at least the minimum of the 5- to 6-percent range seems too high. The canons of economic efficiency do not require that Government projects meet higher standards than private business firms. It is in the nature of an average "internal rate of return" that its use as a discount rate will render negative the present value of private firms for which the internal rates of return are below average.

For information on small and medium business firms Eckstein turned to data compiled by R. A. Foulke and published in issues of Dun's Review and Modern Industry for October, November, and December 1955.

I ask unanimous consent that a table showing small and medium businesses with less than 5 percent profit on tangible net worth for 1954 be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE I.—Small and medium businesses with less than 5 percent profit on tangible net worth, 1954

Percentage of firms with less than 5 percent profit	Number of lines of business			
	Manufacturing	Wholesaling	Retailing	Total
More than 75----	1	1	0	2
50 to 75-----	6	8	3	17
25 to 50-----	17	13	9	39
Less than 25----	5	2	0	7
Total-----	29	24	12	65

Source: Dun's Review and Modern Industry, October, November, December 1955. Data compiled by R. A. Foulke.

Mr. PROXMIRE. Continuing the quotation:

As indicated in table I, these issues of Dun's Review report results for 29 lines of

manufacturing, 24 wholesale lines, and 12 retail lines—a total of 65 lines of business. It is interesting to see what would happen to these medium and small businesses if they were subjected to discount rates of 5 percent and 1954 profit rates were taken as internal rates of return. The profit rate on tangible net worth was below 5 percent for between one-half and three-fourths of the firms in 17 of the 65 lines of business; it was below 5 percent also in from one-fourth to one-half of the firms in 39 other of these lines. More than three-fourths of the firms in two additional lines could not meet the minimum Eckstein standard. Only in seven lines were more than three-fourths of the firms able to show profit rates in excess of 5 percent of the tangible net worth. These data tell in favor of a lower minimum discount rate for Government projects than Eckstein provides. It seems reasonable that many business firms receiving less than average profits are judged successful and socially desirable, and from the standpoint of economic efficiency it is equally reasonable to regard many Government projects as worthwhile though their internal rates of return are below averages computed according to Eckstein's method.

During prosperous periods manufacturing corporations as a whole show returns on stockholders' equity in excess of 5 percent, and the size of these rates varies with that of the firms concerned. For example, in 1949 on the average a manufacturing firm with rates of return below 5 percent would have been one with total assets of less than \$250,000; for in that year manufacturing corporations in this class averaged only about 5 percent on stockholders' equity, but larger firms did better. Similarly in 1955 and 1957, manufacturing corporations with assets in excess of \$1 million generally showed returns on stockholders' equity considerably in excess of 5 percent.

The conclusion is:

Restrictive policies of manufacturing corporations should not be built into other types of economic activity, public or private.

I agree. That is why I disagree with Dr. Harberger, who says that a 6-percent discount rate would be appropriate. I feel it would unduly handicap enterprise, and stop the kind of development which can be justified. I continue:

Eckstein's method by which he arrived at the range of between 5 and 6 percent does not exclude certain intertemporal influences which should be eliminated in the interests of longer run economic efficiency. Computation of averages for other years indicates certain defects in the procedure. I have followed Eckstein twice through his statistical netherland and have arrived at results for 1949 and 1957. According to my computations, a tax reducing consumption would have involved a social cost of 6.7 percent in 1949 and 6.6 percent in 1957; a tax-reducing investment would have cost 7 percent in 1949 and 6.3 percent in 1957. Because of the influence of central banking and fiscal policies, the volatile nature of such items as earnings yield on common stock, changes in the extent to which various rates of interest and return mirror anticipation of inflation, speculation on security exchanges, and so on, considerable fluctuation of averages computed after Eckstein's manner is to be expected.

If anticipated benefits and costs are to be computed in terms of constant prices, use of Eckstein's method for arriving at a discount rate will cause much mischief. A project which would be attractive within the 5-6 percent range for 1955 will be eliminated by the 6-7 percent range appropriate for 1957. If the rise in the rates for 1957 over those for 1955 represented changes in long-

run normal returns, this fact would support use of Eckstein's methodology, but it is unlikely that such justification exists. Clearly we need a rate which will be valid for more than 1 year.

What we need is a "real" rate of return or perhaps a set of such rates, which in equilibrium will satisfy both the marginal rate of time preference and the marginal return from investment. Unfortunately this goal represents an unattainable ideal. We have only the prospect of a compromise solution.

One proximate solution attempts to remove the inflation premium and short-run influences allegedly incorporated in market rates. A recent example of this approach is G. L. Reuber and R. J. Wonnacott's computation of the cost of social capital in Canada. These authors regard the 1959 rate on Government of Canada bonds, 5.5 percent, as the upper limit of real return to investment in Canada and the dividend rate on common stocks, 4.25 percent, as the lower limit and estimate that the riskless real rate of return to Canadian investment in 1959 was 4.75 percent. Since the gap between 4.75 percent and 5.5 percent is 0.75 percent, the combined effect, of impending inflation and short-run factors is judged to be equal to this difference.

Discounting after this pattern has only limited usefulness in connection with Government activity and should be confined to comparatively routine projects like post offices, highways, hydroelectric plants, irrigation schemes, and even schools. About the nature and likelihood of benefits from such ventures we know a great deal, though not enough, from both private and public experience. Furthermore, for such projects Government can reasonably be expected to have aversions to risk similar to those of private enterprise.

On the basis of this very moderate analysis and really sympathetic recognition of the need for Federal irrigation projects and other projects of this kind, the conclusion is that—

We are well advised to settle for a discount rate of between 4 percent and 4.5 percent where benefits and costs are highly certain of realization. If circumstances warrant, we may add a risk premium of from 0.5 percent to 2 percent. At present higher premiums appear unwarranted, for a discount rate of from 6 percent to 6½ percent is high enough to eliminate undesirable projects.

Therefore, on a project of this kind, I submit that a 4 percent discount rate is very moderate and very realistic, and at least would go part way toward meeting the criteria which these outstanding scholars—who are completely objective and professional, with no ax to grind, who are only concerned with providing a basis on which Congress can allocate resources in an effective and intelligent way—feel should be the requirements, according to their conclusions.

Mr. President, I ask unanimous consent that the "Excerpt From Investment in Additional Water Supplies," an article which I hold in my hand, may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

EXCERPT FROM INVESTMENT IN ADDITIONAL WATER SUPPLIES

D. RISK, TAXES, AND THE DISCOUNT RATE

1. The discount rate and financial feasibility

In the calculation of both benefits and costs, the rate of discount is typically a critical element. Costs are incurred, pre-

dominantly, in the early years of a project, while benefits may be stretched out into the relatively distant future. The arithmetic of compound interest so works out that a benefit of \$1, 50 years from now, has a present value of \$0.37 at a discount rate of 2 percent, \$0.14 at a rate of 4 percent, and \$0.03 at a rate of 7 percent. High discount rates make projects look undesirable; low discount rates make them look desirable.

In the earlier portion of this chapter we distinguished between financial feasibility and economic feasibility. Conservative critics of Government investment projects have typically been anxious to insist on a criterion of financial feasibility, that is to say, a showing that a project will lead to revenues sufficient to cover all costs including interest on the capital borrowed for the project.¹ Supporters of enlarged Government programs, on the other hand, have typically attempted to justify projects by showing that there are economic benefits over and above the financial revenues which the project might bring in.

It is essential to the logic of the idea of financial feasibility that the discount rate be equal to the rate at which the Government can borrow. If the Government can borrow \$1 million at 2.5 percent, then a project yielding net revenues of \$25,000 a year is financially feasible, because the Government's interest cost is \$25,000 a year. Any return over 2.5 percent represents a good project, that is, one that yields a financial profit to the Government, permitting a reduction in taxes or an increase in other Government expenditures.

The school of thought that maintains that the financial feasibility requirement is too stringent tends to favor the use of a lower rate of interest than the Government borrowing rate for evaluating public projects. All such low-interest schemes (compare the artificially low rates on loans to such groups as veterans) are typically defended by certain distributional arguments which we will not attempt to analyze. Abstracting from the distribution question, we argued above that such a procedure must lead to the construction of inefficient projects if in some sectors of the economy a standard of perhaps 5 percent is insisted on while in other projects yielding only, say, 2.5 percent are permitted. Even if the Government uses a constant rate (lower than the market) for all its projects, the market rate will be the rate used as a standard by private interests, and so again there will be inefficiency.

2. Risk

In the opposite direction, an important argument to evaluate is the contention that what is financially feasible may not be economically desirable and, specifically, that a rate higher than the Government borrowing rate should be used in discounting costs and benefits of Government projects—primarily to allow for risk, though, as we shall see, taxes and certain other considerations may also enter in. In private and public investment decisions, considerations of risk must obviously play an important role. In fact, for wide classes of investments the risk premium insisted upon by lenders exceeds in magnitude the pure interest charge for the use of the capital. It is of great importance to recognize that there are two different kinds of risk premiums.

Consider, for example, a debt instrument of a given maturity for which the riskless rate would be 5 percent but where there is a one-half chance of default of the interest (repayment of the principal is assumed to

¹ See, e.g., Task Force on Water Resources and Power for the Commission on Organization of the Executive Branch of the Government ("Hoover Commission"), Report on Water Resources and Power (Washington, D.C., 1955), I, 104-6.

be certain). The quoted interest rate would then have to be 10 percent to give the investor the same "expected" or average return as the 5-percent rate on riskless instruments. If there were some risk of default of principal as well, a still higher quoted rate would be required to yield 5 percent after allowance for average loss through default. This risk premium we shall call the expected-value adjustment.

The second factor to be considered is "risk aversion"—that the investor might dislike risk for its own sake and might be unwilling to lend in the case just discussed (a 50 percent chance of default of interest) until the quoted rate reached, say, 12 percent. That is, he is indifferent between a riskless return of 5 percent and a one-half chance of getting 12 percent. On the other hand, an investor who liked to take chances might be indifferent between a riskless rate of 5 percent and a one-half chance of 8 percent. The risk-aversion premium can thus be either positive or negative. Whether on balance investors demand a positive risk premium over and above the expected-value adjustment is a question on which evidence is conflicting.

The distinction between the two kinds of risk premiums is relevant for an argument often made about the comparative superiority of Government when it comes to bearing the risk of large projects. Since the Government is in a position to pool the risks of many such projects, the law of large numbers permits it (so it is argued) to act purely on the basis of the expected return, whereas private capital may insist on a risk-aversion premium in addition. We cannot evaluate this argument until we know something more about whether in fact investors do demand such premiums.² Even if they do, however, the corporate form permits investors to spread their risks by buying small shares in many different enterprises, so it is still by no means obvious that Government has any such advantage in engaging in risky projects as that claimed. It is vital to remember, however, that this entire argument relates to the risk-aversion factor and not to the expected value adjustment though in fact the two are often confused.³ If Government is in a position to make an investment that will double with 50-percent probability, or else be lost entirely, the expected gain is zero. The fact that Government can pool many risks does not in any way permit it to ignore the effect of the risk of failure upon the expected return for this or any particular project or group of projects.

Let us suppose that a certain project might be built by the Federal Government or by a private corporation, the risks of failure of the project being the same in either case. (By "failure of the project" we mean

that the actual outcome reveals either an overestimate of benefit or an underestimate of cost, or both, sufficient to make the net balance of economic considerations a negative one.) The Federal Government can at times borrow, say, at 3 percent when the corporation would have to pay perhaps 5.5 percent (assuming a balance between debt and equity capital). Because of its unlimited repayment ability, the borrowing power of the Federal Government is essentially unaffected by the riskiness of the projects engaged in. Nevertheless, the Government should use as its discount rate the one effective for private borrowers engaged in projects of comparable risk (in this case, 5.5 percent, ignoring any tax adjustments) if the marginal productivity of capital is to be equated between the private and Government sectors. The pooling-of-risks argument does not apply here unless the higher private borrowing rate incorporates an element of risk aversion (which we believe to be small at best).

If there were on balance positive risk aversion, there would in fact be a kind of natural advantage of large enterprises over small and, particular, of Federal enterprises as compared with any others, since the Federal Government could engage in more pooling of risks. In the case of States or local authorities, again there is generally some ability to borrow at favorable rates because the taxing power provides a protection to the investor over and above the prospective profits of the projects engaged in. (Even for private corporations there will typically be a fair amount of reserve ability in the corporation to pay debts over and above that based on the prospective success of particular projects.)

One interesting point here is the existence of the institution of the revenue bond, for which the repayment power is limited to the prospective revenues of the projects borrowed for. Revenue bonds, of course, typically must be sold at prices yielding higher interest rates than general obligations of the Government unit involved. The market rates involve investors' estimates of the real riskiness of the projects. Our present argument really comes down to saying that ideally all projects should be evaluated as if they were to be financed by revenue bonds. Only if this were done would the principle of financial feasibility be appropriate, so far as the discounting rate is concerned.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that a letter which I addressed to Mr. Floyd Dominy, Commissioner of the Bureau of Reclamation, U.S. Department of the Interior, on May 10, in which I raised a series of questions on the Glen Elder project in considerable detail, may be printed in the RECORD at this point; together with a reply from Mr. Floyd Dominy, dated July 2, 1962, which is an excellent analysis.

There being no objection, the letter and reply were ordered to be printed in the RECORD, as follows:

MAY 10, 1962.

Mr. FLOYD DOMINY,
Commissioner, Bureau of Reclamation, U.S.
Department of the Interior, Washing-
ton, D.C.

DEAR MR. DOMINY: I am interested in obtaining information concerning the economic justification for the Glen Elder unit, Solomon Division, Missouri River Basin project, Kansas. There are many imponderables involved in the determination of the economic merit of water development projects. I have the Definite Plan Report on the Glen Elder unit but this lacks enough information to answer some of the necessary ques-

tions about the economic justification for such projects. I would appreciate receiving your comments on the following questions.

1. Is it true that the \$13 million cost allocated to the irrigation part of the project which is to be repaid by revenue from the power sales in the Missouri River Basin will have to wait at least until 2022 before it is repaid? According to Senator ALLOTT's statement at the recent hearings, surplus power revenue from the Missouri River Basin will not be available until 2046, since the power revenue in the period 2022 to 2046 can be considered to be already allocated to irrigation projects which have already been constructed. Assuming that no more power projects are constructed, and that the irrigation costs on all the existing projects will be repaid first, when will surplus power revenue in the Missouri River Basin become available for the repayment of the \$13 million cost of irrigation on the Glen Elder project which is to be repaid in this manner. Please send a copy of "The Missouri River Basin Project Irrigation Data by Units" with your answer.

2. What would be the benefit-cost ratios for the Glen Elder project be if a discount rate of 4 percent rather than 2.5 percent was used in the economic analysis? Please compute the benefit-cost ratio for both 100 and 50 years, for the whole project, for the irrigation portion, and for the flood control portions of the project. Also, in each case use both direct and total categories. In effect, this would just be a recalculation of the top of page iv in your definite plan report.

3. What justification is there for the present use of a 2.5 percent discount factor?

4. Why does the separable costs, remaining benefits method of cost allocation result in less than 10 percent of the cost of the dam and reservoir being allocated to irrigation, even though more than 20 percent of the storage space in the reservoir is dedicated to irrigation purposes?

5. What are the benefit-cost ratios for each of the proposed reclamation projects listed on page 173 of the statistical appendix to your 1961 report? Since definite plan reports have been done for these projects, benefit-cost ratios are in existence for these projects. Please use ratios for each one that will be comparable with each other; i.e., project, total benefits, 50 year period of analysis.

6. What are the equivalent annual benefits for flood control on the following existing and proposed units in the Kansas River Valley: Webster; Kirwin; Trenton; Enders; Cedar Bluffs; Bostwick; Almena?

I would deeply appreciate any assistance you can give me in the answering of these questions.

Sincerely,

WILLIAM PROXMIRE.

U.S. DEPARTMENT OF THE INTERIOR,
BUREAU OF RECLAMATION,
Washington, D.C., July 2, 1962.

Hon. WILLIAM PROXMIRE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PROXMIRE: Our letter of May 21, 1962, reported that work had been commenced in compiling the information and data concerning the economic justification of the Glen Elder Unit, Missouri River Basin project, Kansas, requested by your letter of May 10, 1962. The following paragraphs will respond to your several questions in the order that they were listed in your inquiry.

Paragraph 1, availability of power revenues for irrigation assistance: That portion of the cost of the Glen Elder unit allocated to irrigation which is beyond the ability of the water users to repay would be returned to the Treasury by power revenues accruing to the overall Missouri River Basin project, after the commercial power investment is returned. The last formal economic and financial analysis of the project was completed in De-

² If they do, the expected rate of return (after expected value adjustment) on capital invested in risky industries and enterprises should be greater than in relatively safe industries and enterprises. The existence of insurance is some evidence in favor of the existence of risk aversion, since insurance is not mathematically fair and involves a sacrifice of expected return for greater security of return. On the other hand, not all insurable risks are in fact insured, so the existence of insurance does not prove that the capital market as a whole insists on a positive risk-aversion premium. The existence of gambling provides some evidence in the opposite direction—that some people are willing to sacrifice expected return for insecurity of return.

³ The discussion in Krutilla and Eckstein (op. cit., pp. 122-124) does not clearly distinguish between the two concepts in making the pooling-of-risks argument.

cember 1958. This study showed that all interest-bearing commercial electric power investment would be repaid by the year 2022, after which revenues would become available for credit to the financial assistance requirements of the overall project. This analysis did not contemplate that irrigation assistance would be credited on a unit-by-unit basis. Thus, we have no formal findings as to when the Glen Elder unit investment might be retired, assuming that the assistance requirements of the several units would be met in the order of their construction.

From time to time, we have made studies by approximate methods of the length of time required to achieve repayment of the Missouri River Basin project, assuming that irrigation development would be limited to that which was in an active construction status at the time of the study. However, we have never made a study which presupposed that the remaining justified power development would not be constructed.

Since your first question is premised on two conditions which have not been reflected in previous study, i.e., (1) crediting of irrigation assistance revenues on a unit-by-unit basis in the order of unit development, and (2) the assumption that additional power investment would not be made, we are unable to give an authoritative answer to the question without making a specific study. It would appear, however, that the cited date of 2046, or thereabouts, would be a reasonable estimation of the probable date of availability of revenues for credit to irrigation assistance of the Glen Elder unit under the conditions which you have stated.

A copy of a tabulation entitled "The Missouri River Basin Project—Irrigation Data by Units," dated November 1957, is enclosed as requested. We hope that you will keep in mind, in your use of this material, that investigations and other developments since 1957 have caused part of the information contained therein to become obsolete. We have not kept the information in this tabulation up to date in a readily available form as it was compiled initially to meet a specific inquiry from the Senate Interior and Insular Affairs Committee.

Paragraph 2, 4 percent benefit-cost ratios: The following is a summary of the benefit-cost ratios as computed for the Glen Elder unit based on an interest rate of 4 percent rather than 2½ percent used in our definite plan report of June 1961.

Item	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total
Overall unit plan.....	0.72	0.78	0.64	0.69
Irrigation.....	.49	.69	.43	.61
Flood control.....	.77	.77	.68	.68
Municipal water.....	1.17	1.17	1.03	1.03
Fish and wildlife.....	.47	.47	.41	.41
Recreation ¹	29.00	29.00	25.90	25.90

¹ All purposes except recreation have allocations of joint cost. Recreation has only the cost of specific facilities included in the ratios.

Paragraph 3, interest rate for benefit-cost analysis: The interest rate of 2½ percent represented the average cost of long-term financing of Federal Government issues at the time the Glen Elder unit investigation was undertaken. The present cost of such long-term issues is 2.742 percent. The rate will likely be slightly higher next fiscal year.

Paragraph 4, storage costs allocated to irrigation: This question concerns an apparent disparity between the percentage of reservoir storage cost allocated to irrigation and the percentage of reservoir space so allocated. Reference to table 14, page 95, of our definite plan report on the unit shows that \$17,202,540 of the total estimated construction cost of \$59,354,000 is tentatively allocated to irrigation. The composition of this amount is as follows:

Specific irrigation works.....	\$11,316,000
Separable reservoir costs.....	4,653,400
Separable costs.....	15,969,400
Joint reservoir costs.....	1,233,000
Total allocation.....	17,202,400

From the above, it can be seen that \$5,886,000 of the irrigation allocation derives from

the cost of the dam and reservoir. This amounts to 12.3 percent. A comparative relationship based on reservoir space allocations at the 50-year, or median, sediment conditions would be about 20.5 percent.

Implicit in your question is the suggestion that these percentages should be more nearly equated. Methods of cost allocated which recognize this principle do not take into account the varying magnitude of benefits that derive from use of reservoir space by different water resource purposes.

Largely for this reason, the Interagency Committee on Water Resources, comprising representation from all Federal agencies interested in water resource development, adopted the separable cost-remaining benefit method for allocation of costs among and between the multiple purposes of a water resource development project. The method has been endorsed by the Bureau of the Budget and has been used widely and almost exclusively for the last 10 years.

We assure you that the relationships noted in the Glen Elder unit cost allocations are by no means unique or strained as compared to many other federally sponsored water resource developments. If further discussions on the cost allocation procedure, as applied to the Glen Elder unit, would be helpful, we would be happy to discuss the matter with you at greater length.

Paragraph 5, benefit-cost ratios, on other projects: It has been pointed out informally in telephone discussions with your staff that most of the items listed on page 173 of the statistical appendix to our 1961 report are units of the Missouri River Basin project on which no contemporary investigations have been conducted. Agreement was reached with your representative to limit the information in response to this request to a representative group of projects and units for which reports have been completed within the past 4 or 5 years. The following tabulation is as complete as we can possibly make it without extensive recomputation either in our Washington office or the several field stations:

Project or unit	100-year analysis		50 year analysis		Project or unit	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total		Direct	Total	Direct	Total
Devil Canyon project, Alaska.....	1.72	1.72	1.32	1.32	North Loup division, Mississippi River Basin project, Nebraska.....	1.73	3.32	1.24	2.44
Snettisham project, Alaska.....	2.94	2.94	2.18	2.18	O'Neill unit, Mississippi River Basin project, Nebraska.....	.76	1.29	.59	1.00
Middle Gila River project, Arizona.....	1.94	3.25	1.55	2.57	San Juan-Chama project, New Mexico.....	.99	1.26	.81	1.03
Auburn-Folsom south unit, Central Valley project, California.....	1.84	3.25	1.60	2.76	Garrison diversion unit, Mississippi River Basin project, South Dakota.....	1.80	3.23	.37	2.40
Savery-Pot Hook project, Wyoming-Colorado.....	1.46	2.76	1.14	2.14	Arbuckle project, Oklahoma.....	1.93	1.93	1.59	1.59
Fryingpan-Arkansas project, Colorado.....	1.47	1.87	1.27	1.60	Waurika project, Oklahoma.....	1.38	1.41	1.34	1.33
Dixie project, Utah.....	1.10	2.10	.90	1.60	Upper division, Baker project, Oregon.....	.96	1.28	.79	1.05
Mann Creek project, Idaho.....	.92	1.52	.72	1.20	Crooked River project extension, Oregon.....	1.11	2.61	.93	2.18
Glen Elder unit, Mississippi River Basin project, Kansas.....	1.09	1.18	.85	.93	Agate Dam and Reservoir, Rogue River Basin project, Oregon.....		3.50	1.60	2.76
Kanopolis unit, Mississippi River Basin project, Kansas.....	3.25	3.66	2.57	2.89	Oahe unit, Mississippi River Basin project, South Dakota.....		1.46		
Chestnut Valley unit, Mississippi River Basin project, Montana.....	.76	1.89	.59	1.47	Columbus Bend project, Texas.....	2.43	2.43	2.12	2.12
Hardin unit, Mississippi River Basin project, Montana.....	.47	1.48	.36	1.14	Oroville-Tonasket unit, Chief Joseph Dam project, Washington.....	2.56	8.42	1.98	6.39
Nebraska mld-State project, Nebraska.....	1.30	1.40	1.06	1.14	Spokane Valley project, Washington.....	1.46	3.90	1.20	3.16

The foregoing list is limited to projects or units of projects for which feasibility-grade reports have been prepared either in the form of definite plan reports or as feasibility reports for project authorization. In addition, the following table presents comparable information on projects and units which are in our active construction program during fiscal year 1962:

Project or unit	100-year analysis		50-year analysis		Project or unit	100-year analysis		50-year analysis	
	Direct	Total	Direct	Total		Direct	Total	Direct	Total
Canadian River project, Texas.....			1.14	1.14	Vernal unit, Central Utah project, Utah.....	0.86	1.17	0.69	0.94
Greater Wenatchee division, Chief Joseph Dam project, Washington.....	1.75	5.60	1.63	5.22	Emery County project, Utah.....	1.07	1.38	.66	1.07
La Feria division, Lower Rio Grande rehabilitation project, Texas.....	4.81	12.68	3.27	4.81	Florida project, Colorado.....	.77	1.46	.55	1.13
Mercedes division, Lower Rio Grande rehabilitation project, Texas.....	6.07	15.80	3.80	9.90	Hammond project, New Mexico.....	.90	1.90	.90	1.70
Norman project, Oklahoma.....	1.63	1.63	1.26	1.26	Paonia project, Colorado.....	1.24	2.47	.96	1.93
Talent division, Rogue River Basin project, Oregon.....	1.13	1.58	9.81	1.28	Seedskadee project, Wyoming.....	.69	1.23	.55	.97
San Angelo project, Texas.....	2.33	3.36	1.84	2.65	Smith Fork project, Colorado.....	.64	1.00	.51	.78
The Dalles project, Oregon.....	1.23	2.45	1.00	1.97	Ainsworth unit, Mississippi River Basin project, Nebraska.....	.93	2.29	.68	1.72
Bully Creek extension, Volo project, Oregon.....	2.40	2.72	1.90	2.16	Almena unit, Mississippi River Basin project, Kansas.....	.93	1.13	.69	.89
Weber Basin project, Utah.....	2.30	2.80	1.80	2.20	Cedar Bluff unit, Mississippi River Basin project, Kansas.....	1.82	2.08	1.43	1.64
Curecanti unit, Colorado River storage project, Colorado.....	1.10	1.10	.90	.90	East Bench unit, Mississippi River Basin project, Montana.....	1.01	2.05		.75
Flaming Gorge unit, Columbia River storage project, Utah-Wyoming.....	1.10	1.30	.82	.97	Farwell unit, Mississippi River Basin project, Nebraska.....	.82	2.13	.58	1.59
Glen Canyon unit, Columbia River storage project, Arizona-Utah.....	1.20	1.40	.90	1.04	Frenchman-Cambridge division, Mississippi River Basin project, Nebraska.....	1.11	1.92	.87	1.52
Navajo unit, Columbia River storage project, New Mexico-California.....	1.30	1.60	.98	1.19	Yellowtail unit, Mississippi River Basin project, Wyoming-Montana.....	1.85	1.85	1.83	1.83
					Cheney division, Wichita project, Kansas.....	1.83	1.89	1.46	1.50

Paragraph 6, annual flood control benefits: There follows a tabulation of average annual flood control benefits as determined by the Corps of Engineers, Department of the Army. Trenton and Enders are integral parts of the Frenchman-Cambridge division system of reservoirs which has been analyzed as a system consisting of these two plus the reservoirs named Harry Strunk and Hugh Butler Lakes. Thus, we would not be able to supply individual benefit evaluations for them without requesting special studies by the Corps of Engineers.

In like manner, the Bostwick division includes two reservoirs, Harlan County and Lovewell, and available benefit values relate to the combined effect of both structures.

Average annual flood control benefits

Reservoir or system:	
Webster Reservoir, Webster unit.....	\$687,000
Kirwin Reservoir, Kirwin unit.....	767,000
Frenchman-Cambridge system.....	1,206,000
Cedar Bluff Reservoir, Cedar Bluff unit.....	722,000
Bostwick division system.....	2,666,000
Norton Reservoir, Almena unit.....	259,000

Sincerely yours,
FLOYD E. DOMINY,
Commissioner.

Mr. PROXMIRE. Mr. President, I ask unanimous consent that an excerpt from a splendid book by Dr. Otto Eckstein, who has contributed so very much to an understanding in this field, in particular a chapter entitled "The Social Cost of Federal Financing," may be printed in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

MULTIPLE-PURPOSE RIVER DEVELOPMENT
(By O. Eckstein and Krutilla)

IV. THE SOCIAL COST OF FEDERAL FINANCING

We have seen how the interest rate in the competitive model serves as a price in the capital market, bringing the savings preferences of consumers into consistency with the investment plans of business enterprises. Let us now extend the examination to investment undertaken by Government.

Most of the activities of Government are devoted to satisfying collective wants, wants

which cannot be met through goods and services sold in the marketplace. Whenever the ballot box and the political process replace market choice, investment decisions will not be made by comparing the rate of return of investments with the market rate of interest.¹ Many of the collective goods produced by public investments are valued qualitatively, precluding computations of the rates of return which underlie private investment decisions. The costs are more specific, however; resources employed in a public undertaking have alternative uses in the production of marketable commodities and will, therefore, have a price which measures their opportunity cost.

This cost cannot be measured directly from the borrowing cost, since the funds are raised by taxation, but within the competitive model the social cost can easily be imputed. An analysis based upon the competitive model would go like this: The cost of capital is measured by the interest rate. Insofar as the necessary taxes reduce marginal investments of firms, they prevent the creation of a stream of returns whose relationship to the foregone investment would have been just equal to the interest rate. Similarly, taxes which fall on consumption reduce the present levels of consumption for which people are willing to pass up the opportunity of collecting the market rate of interest. In other words, the consumer places the same value on the expenditure of the marginal consumption dollar as on a perpetual income stream equal to the interest rate. Thus, if government desires to place an economic value on the cost of raising capital through taxation, it can simply apply the market rate of interest.²

¹ Some goods, such as electric power, supplied by Government are marketable; others, such as flood control, though nonmarketable, can be valued at prices established in related markets. Yet the fact that the investment decision is made in a political context results in the introduction of other considerations and makes it unlikely that the decision will be made in accordance with the economic principle alone.

² This assumes that the taxes are raised without causing any distortion in decision-making. If there are tax-induced distortions in the economy's allocation of resources, the true social cost of raising capital

Unfortunately, the American economy does not fit the competitive model closely enough to permit use of so simple a procedure. The substantial risk premiums in the terms on which business can borrow, and the rationing of credit to some businesses and to most consumers, preclude the existence of a unique rate of interest and prevent consideration of any single actual rate as a measure of the social cost of capital. Yet, in considering alternative methods of financing water resource development and in evaluating the economic worth of projects, reasonable estimates of the social cost of Federal funds are essential. Since the market cannot be consulted for the price of capital, as competitive theory would suggest, it is necessary to derive an estimate by more complicated empirical procedures which take account of some of the complexities of the process by which savings are actually channeled into investment.

That is the task undertaken in this chapter. First, as background for our inquiry, we shall examine the salient facts about saving and borrowing in the United States in a recent year. Then, through the use of models, we shall attempt to derive a figure that can serve as a measure of the social cost of public funds used in development of water resources.

SAVING AND INVESTMENT IN THE UNITED STATES

Before turning to our methods of estimation, let us take a quick look at some rather rough, but revealing, figures about the capital formation of the United States in the year 1955, which will serve as a background for the analysis. Table 3 indicates the total gross investment of the major sectors of the economy, defined somewhat more broadly than in the standard national income accounts—though even the set of categories used here misses large amounts of investment by Government. The startlingly large figure for households, \$52 billion, is offset to a significant degree by the depreciation of "durables" which last only a relatively few years, and similarly for some of the other items. Yet it is clear that much investment occurs outside the business sectors; in fact each sector plays a significant part in the process of capital formation.

by taxation will be greater than the market rate of interest.

TABLE 3.—Gross capital formation in the United States, 1955

Sector:	Billion dollars
Households:	
Residential construction.....	17
Automobiles.....	17
Other durables.....	18
Total.....	52
Corporate business:	
Plant and equipment expenditures..	25
Inventory investment.....	4
Other.....	1
Total.....	30
Unincorporated business: Plant and equipment expenditures.....	4
Farms: Construction and equipment..	4
Government:	
Federal construction.....	3
State and local construction.....	9
Total.....	12
Total.....	102

In the financing of these investments, there are significant departures from chapter II's idealized picture, in which we assumed the savings of individuals to be the source of capital, with investors paying the market rate of interest on the requisite loans.³ Households financed their purchases of automobiles in large part through installment credit, with the total outstanding increasing \$4 billion over the year, an amount which is about half the net investment in cars after depreciation. About \$15 billion of \$17 billion of residential construction was offset by an increase in mortgages,⁴ but the \$18 billion of other durables was financed out of income for the sector as a whole. The Department of Commerce reports total personal saving to be \$17 billion, but this figure does not reflect the borrowing done by households in the form of mortgages. If we subtract money borrowed in this way, we find that net personal saving is at most \$2 billion or \$3 billion. That is, the household sector—which in our theoretical model was to provide the savings for the business sector—actually saved little more than it invested in its own durables.

Of the \$30 billion of real investment carried on by corporations, \$15 billion came from depreciation and amortization allowances and another \$9 billion from retained earnings. Only the remaining \$6 billion was financed by new securities—\$2 billion in common stocks and \$4 billion in bonds and notes. And of this total, public utilities issued all but \$400 million of the stock and \$2 billion of the bonds and notes. There was also an increase of bank loans of \$4.5 billion, and an increase of other liabilities of \$1.5 billion, but this was more than offset by the increase in customer receivables. Thus the business sector as a whole, other than public utilities, borrowed no more than 8 or 10 percent of the funds for its real investment.

Unincorporated business, which is typically small, and for which our figures are much more sketchy, invested about \$4 billion in plant and equipment. Much of the investment of this sector, which consists primarily of retail and other service establishments, consisted of the construction and improvement of stores, which were financed largely by mortgages and bank loans. But the sector as a whole withdrew relatively

little from the capital market; repayments of old loans and mortgages roughly offset new ones.

The picture in agriculture is quite similar; \$4 billion of construction and agricultural implements was financed principally through bank loans and mortgages, but the repayments of other farmers were at least equal to the borrowing.

Finally, \$12 billion of construction was carried on by government. The \$9 billion share of State and local government led to the issuance of \$5 billion of new securities, but surpluses run by other State and local bodies reduced the net deficit of the sector to \$1.5 billion. The Federal Government invested at least \$3 billion in construction, a figure which omits much military work, but this was entirely financed out of taxes, and there was a net cash surplus of \$2.7 billion for the year. Foreign investment for the year was negative, with repayments exceeding new investments by \$300 million.

It can be seen from these figures that the net borrowing of the various sectors is less than 10 percent of the total capital formation for the economy as a whole. This is significant. On both the lending and borrowing side of the capital market we need to take a second look at the factors that determine the level of investment and of saving for each group of decisionmakers.

The significance of the small amount of net borrowing or lending of the sectors depends, in part, on the degree to which the lenders provide funds for the borrowers within the same sector. To some extent, there is a common capital market for all sectors, in which some personal, business, and government savings are commingled through the activities of financial intermediary institutions. But, at least in the case of the household sector, we find the capital flows primarily within the sector. Of the \$15 billion of mortgages, savings and loan associations acquired \$5.4 billion; life insurance companies, \$3 billion; mutual savings banks, \$2.4 billion; individuals, \$2.4 billion; and commercial banks, \$1.7 billion. All but the last of these sources administer the savings of individuals and, even in the latter category, much of the money available for mortgages springs out of individuals' time deposits. As for the \$5 billion of installment and other credit, the household credit corporations which handle the largest part of this paper raise their own funds by sale of their notes to insurance companies and other financial intermediaries who draw the bulk of their funds from individual savings.

For the other sectors, the case is not so clear. Corporate securities draw on a wide variety of sources. Unincorporated business is financed in part by bank loans—which, to a considerable extent represent money created by the banking system—and in part by loans from individuals who are willing either to invest in the business or to lend the owner money because of ties of friendship or family. The securities of State and local governments, because of their tax-exempt feature, are particularly attractive to individuals with very large incomes, and thus can be assumed to draw on individual savings. Capital for agriculture is supplied in the form of mortgages by banks and insurance companies and in the form of loans by commercial banks.

INTEREST RATES IN THE AMERICAN ECONOMY

There is no one interest rate—capital is offered on a very wide range of terms. Bonds, notes, and other debt instruments of governments and corporations find a ready market at rates ranging from 2 to 5 percent, depending on the terms of the loan and the credit standing of the issuer. Mortgages of good quality are financed at rates between 4½ and 6 percent, though this rate is kept

low by Government guarantees of a large part of the total. Other consumer credit is expensive, ranging from 5 to over 25 percent, with the typical automobile installment loan held by a large credit company costing 9 to 12 percent. Yet the sales finance companies are able to raise their funds at rates below 4 percent. The difference between their lending and borrowing rates is explained by the high cost of administration and collection, the pooling of many small, risky loans to reduce risk, and substantial profits. Bank loans to corporations and unincorporated business may cost from 3 to 6 percent, depending on size, the region of the country, and the credit standing of the borrower, but their availability is strictly rationed to each firm. Loans to agriculture, while only slightly more expensive, are even more severely rationed to each farmer. Most personal saving, in the form of savings accounts, insurance, and pensions, receives a return of 3 percent or so, with investments in common stocks the only substantial exception. And stock ownership is still restricted to a relatively small proportion of savers, who receive an income yield of only 4 percent, but who have been receiving large capital gains.

MEASURING THE SOCIAL COST OF PUBLIC CAPITAL: THE METHOD OF THIS STUDY

The task of discovering the true social cost of the capital devoted to water resource development under actual conditions is much more difficult than if our theoretical model applied in a straightforward way. The model determines one interest rate for each period, a rate which indicates both the opportunity cost of capital in other fields and the rate at which consumers are willing to give up present income for a future income stream. In reality, there are many interest rates for both borrowers and lenders, and we are not free to fasten upon any one of them for our purpose. Yet the sound formulation of public policy requires some clear idea about this social cost. Use of a rate which is much too low may result in the waste of the Nation's capital in a project yielding less satisfaction to consumers than if left in its alternative use. Use of an excessively high rate will leave water resources underdeveloped as compared to other resources in the Nation's economy. For the typical problem of financing public investment by taxation, we, therefore, need to derive an appropriate estimate for the social cost of capital.

Our method will take account of the actual structure of capital flows in the United States. First, we shall try to determine where the tax money that provides the capital used for Federal resource development actually comes from—that is, the incidence of the marginal tax dollars. This requires quantitative study of the revenue produced by different taxes, the persons and organizations who pay these taxes, and the extent to which taxpayers are able to shift their tax liabilities to others. It also requires that we assume in what proportion the various taxes would be increased were the program to be expanded, or which ones would be cut in the event of contraction. Once we know the sources of the money, we can proceed to the second stage and estimate what value attaches to these funds in their alternative uses.

When Government imposes taxes in order to finance public investments, it levies a compulsory loan or forced saving on the community, which releases the resources for the undertaking. The taxes lead to a reduction of consumption by households, to a decline in investment, or both. The social cost of the capital raised from foregone investment is clear: the investments would have yielded a certain rate of return to the community which would have increased the future flow of real national income. The

³ See W. A. Salant, "Saving, Investment, and Stability," *American Economic Review*, May 1956, pp. 42-54.

⁴ This figure includes mortgages issued on old houses.

social cost, therefore, is equal to the foregone rate of return on private investments.

To estimate the cost of funds which would have been spent for consumption, we must turn to the saving and borrowing behavior of households. Each individual has certain preferences about the allocation of his expenditures over time, more particularly, the allocation between present and future consumption. If he postpones consumption, he earns interest on the resultant; if he pays outstanding debts he reduces his interest payments accordingly. A rational consumer will allocate his expenditures over time in such a manner that the rate at which he is willing to give up present consumption for the income stream made possible by the resultant increase of his saving will be equal to the interest rate which he faces in making this choice. Thus, a saver will push his consumption to the point where the satisfaction of a future income stream equal to the interest rate is exactly equal to the satisfaction he derives from the marginal dollar of consumption. Similarly, a borrower will derive satisfaction from his marginal dollar of consumption equal to the stream of interest payments he must make on this marginal expenditure dollar which he has borrowed.⁵

Figure 13 illustrates this optimum condition of consumer behavior. It shows the consumer's indifference map between present consumption expenditures and increases of his future annual consumption streams.

If the consumer's income in the present period is represented by point a (fig. 13-a), then he can reach any of the points on the two line segments, ad and ae, which start at that point. Moving to the right along the steeper line means that he is borrowing to increase his present consumption at the expense of future diminished consumption; the slope of this line reflects the relatively high borrowing rate. Moving to the left on the less steep line represents saving out of present income at the relatively low interest rates that can be earned on savings accounts and other assets. It can be seen from the diagram that point a', the point of tangency between the saving line and an indifference curve, is the preferred point that this individual can reach: it is on the highest attainable indifference curve. Point b (figure 13-b) illustrates the case where the individual will borrow and thereby reach the preferred point b', while point c (fig. 13-c) represents a situation where the individual does not find it worthwhile to lend at low rates or to borrow at high rates, and so simply spends his current income.

There are several fundamental factors which determine the general shape of a particular consumer's indifference map in any one period. First, there is the phase of the consumer's life cycle of earnings and of expenditure needs. A young married person—with an expectation of a rising income, with dependent children, and with large needs to fully equip his household with standard durables—has a high preference for current consumption expenditures. An older person, expecting a falling income and retirement, saves to increase his consumption later on, and so on. Second, an indi-

vidual's attitude toward satisfaction enjoyed at different points of time will be reflected in this preference map. People with a very short horizon will have strong preferences for present consumption, while misers will favor the reverse. Third, a person's need and desire for providing for financial contingencies will help to determine these preferences. Many other factors could be cited, but this brief list at least indicates their general nature.

Much of consumer borrowing is for the sake of purchasing durables before sufficient cash can be set aside to pay for them; all mortgages and most installment paper fall in this category. Such borrowing, in a sense, is for investment rather than consumption, for in each instance the asset yields a return to the owner. The return may be monetary; a house, for example, reduces rent payments. It may be a saving of labor, as in the case of washing machines. The rest of the return may be in the form of satisfaction enjoyed directly, sometimes as extra convenience, often as the enjoyment of consumption through use of the durable. But whatever the form of the return, a rational consumer will borrow at a given interest rate only if his enjoyment of the return is at a rate at least as great as his interest payments. Thus, we can assume that a person who is willing to pay 12 percent interest on the purchase of a car on credit, or a homeowner paying 5 percent on the mortgage on his house, presumably is enjoying satisfaction from these assets at rates at least equal to these figures.

In order to determine the social cost of funds raised through taxation of an individual with given preferences about his saving-borrowing behavior (or with given opportunities for investing in durables), we must ascertain the interest rates which he faces. A dollar of taxation is a reduction of his current income. If we can assume that the marginal dollar an individual spends for present consumption, or the dollar he saves, would be worth a future annual income stream equal to his interest rate, then the same interest rate would apply to the dollar required to pay an increase in taxes. Conversely, a tax reduction of a dollar can be converted into a future income stream equal to his interest rate. Interpreting taxation for public investment as a compulsory loan for the sake of future benefits, the social cost of this investment is equal to the interest rate which the Government would have to offer to the taxed individuals to induce them to grant the loan voluntarily. Our analysis does not assume that all of the taxed money would have been saved voluntarily; presumably part of it would have been consumed. We assume only that the decision about the fraction to be saved is made rationally and in the light of the opportunities for changes in future income which the interest rate measures. These assumptions are sufficient to derive the value of marginal income in terms of a future stream which can be expressed as an interest rate. We can then apply this reasoning to marginal changes of income which are caused by taxation.

A further requirement for the estimate of the social cost of marginal tax dollars is to discover how these dollars are apportioned among the major categories of decision-making units that face different interest rates. This means allocation of the taxes between businesses and households, between borrowers and lenders, between borrowers at high rates and borrowers at moderate rates, and so on. For households, we use three categories—lenders, borrowers at mortgage rates, and borrowers at short-term credit rates—combined with a breakdown by income class. In the case of business, we estimate the effect on investment and its potential return, in accordance with the size of assets of the taxpaying firms.

Our analysis necessarily is confined to small changes in expenditures and taxation relative to the overall levels of the Federal budget. Large tax changes, such as a 30 percent reduction in income taxes, would lead to such substantial shifts in consumers' decisions and in the rate-of-return schedules of business that assumptions of the present relationships between incomes, prices, interest rates, and rates of return would no longer be valid. There might be effects on consumers' incomes which would convert borrowers into savers, effects on the total amount of saving and of investment which might alter and shift the interest rate structure, and changes in the relative prices of consumer goods and capital goods which would result in a shift from investment to consumption in the private sector. Since all of water resources development absorbs little more than 1 percent of the Federal budget, any tax changes made possible by changes in this program would be so small as to be truly marginal; no limitation to the applicability of our analysis to this field is imposed by these considerations.

As with other criteria of economic efficiency, our measure abstracts from changes in the distribution of income. We view the public investment as a loan by society to itself in order to build certain physical investments. That is, we assume that it does not matter to whom benefits and costs accrue. In fact, much of the cost is usually borne by individuals who do not benefit from the investment, so that the distribution of income is changed. If we attached a different value to a dollar of cost or benefit for different groups, our efficiency measure would need to be modified. In the present context, the value of the addition of a dollar to the future income stream is assumed to be the same for all taxpayers and beneficiaries. And if we go beyond the measurement of cost and compare it with benefit, we make the additional assumption that who receives the benefits and costs is a matter of indifference.

These are ethical judgments which each person is free to accept or reject. Insofar as our interest is focused on the increase in total national income and on the efficiency of particular programs in promoting this objective, this assumption serves as a means of isolating this facet of the problem from redistributive issues.⁶

Our quantitative analysis could be presented, with no substantive difference, either as an expansion of investment and a tax increase or as a contraction of investment and a tax cut. It is the change in taxes which is significant; it does not matter whether the public investments would increase existing taxes or prevent a possible reduction. Since the actual tax policy issues have appeared in terms of tax reductions in recent years, we consider the problem from this point of view.

In order to measure the cost of capital for a wide range of taxes, we present two models using different sets of assumptions about the potential tax cuts which are forestalled by the public investments. In model A, we assume that the personal income tax is reduced in a manner most advantageous to low-income families and that sales taxes are lowered. These tax cuts would primarily boost consumption. Model B consists of a reduction of the personal income tax with emphasis on upper-income brackets, com-

⁵ This formulation does not detail the intertemporal optimum conditions between all present and future periods and, hence, cannot describe the entire future time profile of an individual's consumption. It is sufficiently detailed for our limited purposes, however, and we seek to keep our assumptions as simple as possible. The same reasoning can be applied to the rate of substitution of consumption expenditures between any two periods, provided the entire structure of future interest rates is also known for the individual.

⁶ For further discussions of this question, see the last sections of chapters II and III. In the water resource field, this value judgment has been made explicit by the Congress in the Flood Control Act of 1936, where it is specified that benefits must exceed costs for a project "to whomsoever they may accrue," in order for a project to have economic feasibility and to be eligible for authorization.

bined with a reduction of the corporation income tax. This model would increase investment.

Throughout the analysis it is assumed that the Government runs a successful stabilization policy. This is not to say that full employment and stable price levels prevail constantly, but only that neither major unemployment nor severe inflation is allowed to develop. This assumption accords both with the avowed objectives of the Government and with the general setting assumed for Federal resource development programs, and it corresponds with the record of recent years. Most of the data for our quantitative analysis are based on the year 1955, a year in which employment was high and prices stable, and the money supply was moderately tight.

In this context, a reduction in a specific Government expenditure must be considered an autonomous change that must be offset by some weapon in the arsenal of the stabilizers. It is this reasoning which forces us to derive our estimates of social cost on the basis of specific counteracting fiscal or monetary policies.⁷

This may seem to be a cumbersome procedure for deriving one number—the opportunity cost applicable to resource development funds. But there is no shortcut. With capital coming from many sources, which face widely differing borrowing and lending rates of interest and whose saving and investment decisions are conditioned by altogether different factors, the actual impact of federally financed projects on the economic activities of the other sectors of the economy varies widely. It has been argued, for example, that the true opportunity cost of capital is the rate of return earned on the marginal investments of the most successful private firms, such as Du Pont or General Motors, rates which before taxes are in excess of 20 percent. But this is not the true opportunity cost; reduction of the Federal program by \$100 million would not result in expansion of investment by such firms of an equal amount. It has also been argued that the interest rate on long-term Government bonds measures the social cost of public capital.⁸ This rate is also inappropriate, because it presupposes that the entire cost of projects is financed out of voluntary bond purchases and that the risks attached to projects are borne by the buyers—two conditions

that do not hold. A number of other easily derived rates can be supported by plausible arguments, but in the end the arguments break down. A sector-by-sector approach, assuming a specific incidence of marginal taxation, is far more trustworthy because it corresponds to the actual conditions under which public capital is raised.

Before embarking on our detailed quantitative study, a few precautionary comments should be made about our basic assumptions. We take it as axiomatic that a measure of the social cost of capital which is consistent with an economic efficiency approach must accept the sovereignty of consumers' choice, even in matters of allocation of expenditures over time, and particularly with regard to their decisions on how much to consume and how much to invest. It has been widely contended that consumers' sovereignty should be rejected for intertemporal choices because of the myopia of individuals,⁹ which leads to inadequate amounts of saving and investment for society as a whole from a long-run point of view. It has also been contended that it is not the function of government slavishly to follow individual desires, but to act for unborn generations, to take the lead in providing for the future.

We do not reject these considerations and shall return to them later in this chapter. In some instances, they will be reflected in the higher social criteria which may supersede the efficiency criteria as we have defined them. But, throughout this study, we take the view that economic efficiency is one of the significant criteria and that it requires measurement of gains and costs in terms of the subjective valuations of the individuals who constitute our society. In the case of the cost of capital, we also look to individual preferences, and it is on this basis that we proceed.

MODEL A: A TAX CUT STIMULATING CONSUMPTION

Our first tax model estimating the social cost of capital consists of reductions which are particularly favorable to low-income families. In model A, 80 percent of the tax cut is in the form of an increase in the personal exemption of the Federal income tax. The other 20 percent is assumed to go into a reduction of those Federal excises which would, in fact, be most likely to take place. When our computations for each of these tax cuts are completed and the results combined, we arrive at the following applicable interest rates:

	Percent
Increased personal exemption.....	5.87
Reduced excises.....	5.49

Weighted average for model A... 5.79

INCREASING THE EXEMPTION OF THE PERSONAL INCOME TAX

A tax cut in the form of a higher exemption frequently has been proposed in Congress. Assuming that the income tax liabilities are not shifted, it is easy to compute the incidence of the tax cut by income classes. Let us suppose the exemption is raised by \$1. The tax saving on the typical return in each income class depends upon the marginal tax rate paid; the saving for the income class also depends upon the number of exemptions claimed. It can be seen from table 4 that most of the tax saving

accrues to those with low and middle incomes—those with incomes of \$5,000 or less.

TABLE 4.—Incidence by income classes of an increase in the personal exemption

Income class (thousands)	Number of exemptions ¹	Tax saving per dollar ²	Total tax saving	Percent distribution of tax saving
	Thous.	Cents	Thous.	
0 to \$3.....	24,472	21	\$5,139	19.1
\$3 to \$5.....	44,557	24	10,694	40.6
\$5 to \$7.5.....	23,066	27	6,228	23.6
\$7.5 to \$10.....	4,906	33	1,619	6.1
\$10 to \$15.....	2,705	41	1,109	4.2
\$15 to \$20.....	984	50	492	1.9
\$20 to \$30.....	839	59	495	1.9
\$30 to \$50.....	507	67	340	1.3
\$50 to \$100.....	223	79	176	.7
Over \$100.....	63	90	57	.2

¹ U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1951," 1955, based on returns with taxable income.

² Marginal tax rates at average income tax liability reported in each class.

Discovery of the rates at which each income class saves or borrows requires examination of its asset and credit position. The Survey of Consumer Finances provides relevant data on this question; they are summarized in table 5. It shows, for each income class, what percentage of spending units have a significant amount of short-term consumer debt and mortgages.

TABLE 5.—Asset-debt position of consumer [In percent]

	Income class		
	\$0 to \$3,000	\$3,000 to \$5,000	Over \$5,000
Owed more than \$100 of consumer debt.....	33	52	52
Owed mortgages only.....	5	8	11
Owed neither kind of debt.....	62	40	37

Source: 1956 Survey of Consumer Finances, "Consumer Indebtedness," Federal Reserve Bulletin, July 1956, p. 702.

To derive the interest rates on which consumers make their marginal borrowing-saving decisions, we must estimate the rate of return earned on their assets and the rates paid on their debts. Let us assume that the interest paid on the assets held by debt-free households is 3 percent, a rate typical of the savings accounts and U.S. Government bonds into which most households in the lower-income brackets put their savings. To take account of the higher returns earned on common stock by 15 percent of the class with incomes above \$5,000,¹⁰ we increase this rate to 3.75 percent for the class with no debts.

A rate of 5 percent is applied to mortgage loans. This rate is somewhat above that charged on loans guaranteed by the Federal Housing Administration or the Veterans' Administration, but corresponds to rates on conventional first mortgages and allows for the considerably higher rates which prevail on second mortgages.¹¹

As for interest on short-term consumer credit, rates vary widely, from less than 6 percent on some personal bank loans (and 0 percent on loans within families) to over 30 percent on some small loans of finance com-

⁷ Thus our procedure measures what Musgrave calls the differential incidence of expenditures (See R. A. Musgrave, "General Equilibrium Aspects of Incidence Theory," American Economic Review, May 1953, pp. 504-17). A reduction of expenditures by \$1 may require an offsetting tax cut of less than \$1, because the multiplier effects of the former may exceed the effects of tax reduction (see H. C. Wallich, "Income-Generating Effects of a Balanced Budget," Quarterly Journal of Economics, 1944, pp. 78-91). In our quantitative study, we assume that the fiscal authorities reduce taxes by the appropriate amount, i.e., an amount sufficient to result in the utilization of a bundle of resources equal to the quantity released by the reduction of expenditures. Thus, we assume constancy of effective demand. We also assume that our result is not affected by any redistributions of income attributable to the multiplier effects of the two offsetting changes in the budget.

⁸ The practice of most agencies and the recommendations of the Budget Bureau Circular A-47 and the Subcommittee on Benefits and Costs of the Federal Interagency River Basin Committee imply this position. See Otto Eckstein, "Water Resource Development: The Economics of Project Evaluation" (Cambridge: Harvard University Press, in press), ch. IV, for a survey of actual practice.

⁹ M. Dobb, "On Economic Theory and Socialism" (New York: International Publishers, 1955), pp. 38-41, 73-77, 244-45, and 258-60; A. C. Pigou, "The Economics of Welfare" (4th ed.; London: Macmillan Co., 1932), pp. 22-30; W. J. Baumol, "Welfare Economics and the Theory of the State" (Cambridge: Harvard University Press, 1952), pp. 91-92; and R. H. Strotz, "Myopia and Inconsistency in Dynamic Utility Maximization," Review of Economic Studies, 1955-56, pp. 165-180.

¹⁰ 1955 Survey of Consumer Finances, "The Financial Position of Consumers," Federal Reserve Bulletin, June 1955, p. 621.

¹¹ This rate corresponds to the findings of Morton for 1947. See J. E. Morton, "Urban Mortgage Lending Experience," National Bureau of Economic Research (Princeton: Princeton University Press, 1956), pp. 80-81.

panies. This range can be narrowed by studying the composition of personal debt. Of the \$36 billion outstanding at the end of 1955, \$14 billion was automobile paper.¹² The rates on most automobile paper were between 8 and 12 percent, with that held by banks near the lower figure and by finance companies near the higher ones. Another \$6 billion was for other consumer goods paper, which has comparable rates. Personal loans constituted \$8 billion. Of these the small loans which bore very high rates were offset to some degree by low rates on bank loans available to the best of the credit risks. Of the remaining, about half were charge accounts and the rest were service credit and repair and modernization loans. The rates on these categories tended to be relatively low, ranging from 6 percent on regular charge accounts to 9 percent on modernization loans. The average rate for personal debt suggested by these figures is about 10 percent.

A breakdown by type of holder is consistent with this estimate, since banks hold 33 percent, credit unions 5 percent, stores 25 percent, sales finance companies 28 percent, and others 9 percent. It would be incorrect, however, to assume that all income classes pay the same rates. Generally, poorer people obtain small loans at very high rates and borrow from sales finance companies for their durable goods purchases; those with higher incomes are able to obtain bank loans and have charge accounts. To allow for this factor, we assume a rate of 12 percent for consumer credit for those with the lowest income and a rate of 9 percent for the rest.

Interest payments are deductible from Federal income taxation. This implies that the actual rate which governs the choice of consumers is not the rate paid, but the rate adjusted for the saving in taxes. But the applicability of this reasoning is limited by the wide use of the standard deduction in income tax returns. Itemized deductions were made on only 8 percent of the returns for \$3,000 or less; 24 percent for \$3,000 to \$5,000; and 40 percent for \$5,000 and over. Because the tax saving from this source is usually more significant in the case of mortgages, we use the borrowing rate after taxes only in the case of households with mortgages.

Interest receipts, on the other hand, are taxable income, which again argues for the use of interest rates after taxes. But the amounts of interest received are relatively small for most households and frequently are not reported to the tax collectors. Only 7 percent of returns with incomes below \$5,000, and 20 percent with higher incomes, reported interest receipts.¹³ Therefore, we use the before-tax interest rates except for half of the interest recipients with top incomes.

Our set of categories for assigning interest rates to households does not properly describe one group in the debt-free households. The fact that the largest percentage of debt-free households is found among the lowest incomes does not mean that low-income families have less need for credit. Rather, many of these families are not sufficiently good credit risks to get any loans except small loans at very unattractive terms. It would be incorrect to assume that these families make their borrowing-saving decisions on a rate of 3 percent. For a sizable

group of low-income families, the lack of the use of credit can be explained on other grounds. Unskilled workers are heavily represented; because their income reaches a peak relatively early in life, they have relatively little inducement to borrow. Still other low-income families consist of older people who are living on their capital; they also have no incentive to borrow. To take account of the group who wants credit but is too poor to obtain it, we assume that 20 percent of the nonborrowers have a high time-preference and, if they were free to do so, would make use of short-term consumer credit at the usual rate of 12 percent.

Table 6 gives the rates derived in the manner we have indicated, with adjustments for taxes incorporated in the figures. Table 7 gives the distribution of households by income class, asset-debt position, and by their marginal borrowing or lending rates. Those who owe both consumer debt and mortgages are considered to be paying the higher borrowing rate (that for consumer debt), which is the rate that must be considered marginal. Low-income families unable to borrow at reasonable rates are listed separately.

THE SOCIAL COST OF FEDERAL FINANCING

TABLE 6.—Interest rates faced by households in their saving-spending decisions
[Percent]

	Interest rates for income class		
	\$0 to \$3,000	\$3,000 to \$5,000	Over \$5,000
Owed more than \$100 of consumer debt.....	12.0	8.3	7.3
Owed mortgages only.....	4.0	3.9	3.5
Owed neither kind of debt and held savings.....	3.0	3.0	3.2
Unable to borrow at reasonable rates.....	12.0		

Source: See text.

The table also gives the average rate for each income class and the distribution of tax savings caused by an increase of the personal exemption. The final figure, computed by weighting the average rates applicable to the three income classes by their shares of tax savings, is equal to 5.87 per-

cent.¹⁴ This is the rate which our quantitative analysis suggests as the proper measure of value to consumers of the tax savings made possible by an increase in the exemption of the personal income tax.¹⁵

¹⁴ The use of income classes as defined by the Internal Revenue Service in combination with the definitions of the Survey of Consumer Finances introduces a slight upward bias into the estimate. The survey's "spending unit" includes all related persons living together who pool their incomes, while the Internal Revenue Service gives its figures in terms of tax returns. Since some spending units will file several tax returns, relatively fewer spending units will fall into our lowest income class. This bias is accentuated by the fact that our tax data pertain to 1951, when incomes were lower than in 1955. Data for the distribution of income from the two sources suggest that as many as one-half of the returns filed in the lowest income class in 1951 should be assigned to "spending units" in the next income class in 1955. Similarly, the data suggest that one-third of all returns filed in the middle-income class in 1951 belonged to "spending units" in the highest class in 1955. On these assumptions, our estimate for the interest rate would fall to 5.70 percent. This probably overstates the bias since the survey's sample appears to underrepresent low-income "spending units."

¹⁵ Our analysis has not endeavored to impute a rate of return to the investments made possible by the increased savings of consumers. Presumably, a return greater than the borrowing cost is earned on these investments, which serves as an inducement for the investor. An estimate of this extra return requires identification of the marginal borrowers to whom these investable funds would be made available, a task we shall not assay. Were we to assume that the return above borrowing cost is 3 percent—a liberal figure in view of the low- and middle-income sources of these savings and the channels into which their savings usually flow—and were we to apply marginal propensities to save by income classes (see footnotes to table 14) to estimate the share of the tax cut that would be saved, we would increase our estimate by 0.12 percentage points, resulting in a figure of 5.99 percent.

TABLE 7.—The average interest rate applicable to the distribution of tax savings from increasing personal exemption based on distribution of spending units, by income class, asset-debt position, and marginal borrowing or lending rates of interest

Item	Income class					
	0 to \$3,000		\$3,000 to \$5,000		Over \$5,000	
	Percent of units ¹	Interest rate, percent ²	Percent of units ¹	Interest rate, percent ²	Percent of units ¹	Interest rate, percent ²
	(1)	(2)	(3)	(4)	(5)	(6)
Owed more than \$100 of consumer debt.....	33	12	52	8.3	52	7.3
Owed mortgages only.....	5	4	8	3.9	11	3.5
Owed neither kind of debt.....	50	3	40	3.0	37	3.2
Unable to borrow at reasonable rates ³	12	12				
Average rate for each income class.....		7		5.8		5.4
Percentage distribution of tax saving ³	19.5		40.6		39.9	
Average applicable interest rate.....						5.87

¹ 1956 Survey of consumer finances, op. cit.

² See text.

³ "Statistics of Income for 1951," op. cit.

REDUCING SELECTED EXCISE TAXES

In addition to the increase in personal exemption, amounting to 80 percent of the tax cut, our model A calls for a cut in excise taxes sufficient to make up 20 percent of the decline in Government revenue. We assume

a reduction for only those commodities which seem likely to be affected by an actual move to cut excises. Thus, all road-user taxes are excluded, because they have been set aside to finance the expanding Federal highway program. Taxes on alcoholic bev-

¹² U.S. Department of Commerce, Survey of Current Business, March 1956, p. S-16.

¹³ U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1952, Preliminary Report." These figures include returns reporting miscellaneous income on the Federal income tax form 1040a. We apply after-tax interest rates to one-half the interest recipients in the top class because that is the degree of compliance suggested by our asset-debt data.

erages and tobacco are ruled out, because they are imposed, in part, for noneconomic reasons and have a long-accepted place in the Federal revenue structure. We treat the remaining excises as if they were cut proportionately, and assume that the price elasticity of consumer demand is such that the relative increase in sales will be the same for all commodities in question. These two assumptions imply that the proportionate cut in tax rates leads to a proportionate fall in the revenues from the various excises.

The incidence of excise taxes is usually assumed to fall on the consumer.¹⁶ The incidence by income classes, then, depends on the distribution of the tax cut among commodities and on their income elasticity. Table 8 sheds some light on this question. It lists the major Federal excises, shows the revenues derived from them and their percentage distribution, and gives estimates of the income elasticities of the commodities which have been made by the U.S. Department of Commerce. Using the distribution of taxes as weights, an average income elasticity is computed for the entire excise tax cut. Both the prewar and postwar figures produce an estimate very close to 1, which implies an incidence of the taxes among income classes similar to the distribution of income.¹⁷

TABLE 8.—Excise taxes and income elasticities for selected goods and services

Commodity	Tax revenue ¹	Percent of tax revenue	Income elasticity ²	
			1929-40	1947-54
Musical instruments and radios.....	Millions \$248	12.3	2.5	1.1
Records.....	8	.4	2.5	1.1
Appliances.....	107	5.3	1.3	.3
Cameras.....	15	.7	1.5	.6
Jewelry.....	142	7.1	1.8	.3
Furs.....	27	1.3	1.5	1.5
Toiletries.....	72	3.6	.8	.5
Luggage.....	51	2.5	1.1	1.3
Admissions.....	189	9.4	.8	— .4
Telephone.....	520	25.9	.5	1.7
Transportation.....	632	31.4	1.1	1.1
Average elasticity.....			1.15	1.00

¹ U.S. Treasury Department, Treasury Bulletin, March 1956. Figures are for fiscal 1955.

² U.S. Department of Commerce, "Consumer Expenditure Patterns," Survey of Current Business, September 1955, pp. 23-32. These estimates are based on time series analysis and are of questionable statistical validity in view of the small number of observations and the strong trends in some of the series. But the similarity of the results for the average of the two periods offers considerable evidence that the actual value is not far removed from 1.0. It may appear puzzling that these luxuries do not have a higher elasticity; but the result can be explained by the wide range of goods and prices offered in each category.

¹⁶ Musgrave and Tucker followed this assumption in their studies of tax incidence. (See R. A. Musgrave, J. J. Carroll, L. D. Cook, and L. Frane, "Distribution of Tax Payments by Income Groups: A Case Study for 1948," National Tax Journal, March 1951; and R. S. Tucker, "Distribution of Tax Burdens in 1948," *ibid.*, September 1951.) This assumption is only a first approximation and overlooks the effects of product substitution.

¹⁷ Rolph has put forth the view that factors of production bear the cost of excise taxes through backward shifting. Our computation is consistent with this assumption if the changes in factor payment are proportional, for this will distribute the tax saving among income classes in accordance with the distribution of income. See E. R. Rolph, "A Proposed Revision of Excise Tax Theory," Journal of Political Economy, April 1952, pp. 102-117.

Table 9 shows the distribution of family income and the interest rates applicable to the tax saving in each class. Averaging the rates by using the income distribution as weights, gives us the interest rate applicable to this form of tax cut.¹⁸ This rate turns out to be 5.49 percent.

Averaging the 5.87 percent rate for the increased personal exemption and the 5.49 percent for excise cuts, weighted by their relative importance, we get an overall estimate of the applicable rate under the tax assumptions of model A, which is equal to 5.79 percent.

TABLE 9.—Reduction of selected excise taxes: Distribution of income and applicable interest rates, 1955

Family income class (thousands)	Family personal income ¹	Percent distribution before tax	Percent distribution after tax ²	Applicable interest rate ³ (percent)
	Billions			
0 to \$3.....	\$25.0	9	10	7.0
\$3 to \$5.....	59.1	21	22	5.8
\$5 to \$7.5.....	81.6	28	28	5.8
\$7.5 to \$10.....	47.1	16	16	5.4
\$10 to \$15.....	29.3	10	10	5.0
Over \$15.....	46.0	16	14	4.6
Average applicable interest rate.....				5.49

¹ S. F. Goldsmith, "Income Distribution in the United States, 1952-55," Survey of Current Business, op. cit., June 1956, pp. 9-16. Our income classes have to be defined as income before tax because the Survey data on which our interest rates are based are given that way.

² Since the income elasticities were derived from regressions on disposable, or after-tax, income, it is the distribution of income after taxes which supplies the proper weights for our average interest rate. The distribution after taxes was computed by applying the average tax rate for each income class (given in the Goldsmith article cited above) to the before-tax income.

³ The rates for the lower brackets are carried over from the preceding section. The breakdown in the upper brackets is derived in detail in the discussion of model B.

MODEL B: A TAX CUT STIMULATING INVESTMENT

In model B, we make quite different assumptions about the tax cuts made possible by a reduction in expenditures, though we again try to cast our assumptions in a plausible form from a political point of view. We assume that 50 percent of the reduction will be taken by reducing the rate structure of the personal income tax. Rather than assume a new rate schedule, we assume that it is the objective of the rate changes to reduce the tax bill of each taxpayer in the same proportion. Income tax payments represent a larger percentage of the income in higher brackets; therefore, such a tax cut would produce a more than proportionate increase in after-tax incomes in the higher-income classes and would, therefore, reduce the degree of progression of the personal tax structure. The remaining 50 percent of the reduction is assumed to take the form of a cut in corporate income taxes, distributed among corporations in proportion to their

¹⁸ A reduction of excise taxes is less likely than a reduction of income taxes to result in accrual of additional returns to marginal investors to whom additional private savings are made available. This is because the tax cut leads to price reductions of consumer goods and hence induces some substitution of consumption for saving. While we cannot be sure that the substitution effect will exactly cancel the income effect on consumption, it is unlikely that the net result will be significant. The distribution of the tax cut among income classes, and particularly to high-consumption families, strengthens this conclusion.

tax liability. Combining the interest rates applicable to each of these tax cuts, we derive our overall estimate for model B as follows:

	Percent
Proportionate reduction of personal income taxes.....	5.29
Proportionate cut in corporation taxes.....	5.59
Weighted average for model B.....	5.44

REDUCING PERSONAL INCOME TAX LIABILITIES PROPORTIONATELY

Much of the method applied in model A can be used for the personal income tax cut favoring upper income families. Let us first look at the distribution of tax savings among income classes, given in table 10. Comparing the incidence of this tax cut with the incidence of an increase in the exemption, we find that much more of it accrues to high-income classes, 59 percent of it to incomes over \$7,500. Where model A emphasized the asset-debt position of families with low and middle incomes, for whom the Survey of Consumer Finances provides good coverage, model B must give much more detailed estimates for the upper income classes. Insofar as the tax cut does accrue to families with incomes below \$5,000, we can simply use the interest rates derived earlier. But a somewhat different approach is required for the upper income groups. In the lower brackets, the diversity of interest rates is explained primarily by the presence or absence of debt and by the kind of debt owed. In the upper brackets, the form of the assets from which income is derived and the rates at which such income is taxed are the most important variables.

TABLE 10.—Incidence by income classes of a proportionate reduction of income tax payments, 1954

Family personal income (thousand dollars)	Percent distribution of income tax liability ¹
0 to 3.....	3.6
3 to 5.....	13.2
5 to 7.5.....	24.0
7.5 to 10.....	14.4
10 to 15.....	10.3
15 to 20.....	5.0
20 to 30.....	6.5
30 to 50.....	7.8
50 to 100.....	7.7
Over 100.....	7.5

¹ Goldsmith, op. cit., p. 15. The breakdown of the 34.5 percent paid on incomes above \$15,000 is in proportion to the tax liabilities of these classes in 1952, as given in the "Statistics of Income for 1952, Preliminary Report," U.S. Treasury Department, Internal Revenue Service.

First, we determine what proportion of families in each class has debts in such amounts that borrowing rates would dominate choices between spending and saving, and then estimate the relevant borrowing rates. For the remaining families, which include a rapidly increasing share as we go up the income scale, we try to determine the kind of earning assets from which they derive their nonwage income and at what rates of return this income is received. Again, combining the distribution of incidence of the tax cut with the interest rates applicable to different income classes, we derive an average rate which measures the value of the money released by the postulated tax cut.

Table 11 presents the asset-debt position of households with incomes greater than \$5,000. It shows a wide prevalence of debt, which results from lumping all incomes above \$10,000 into one bracket. Since debt

for consumption purposes falls rapidly in the higher brackets, in our subsequent analysis the figures for the bracket over \$10,000 are applied only in the range \$10,000 to \$15,000. Also, in the higher brackets, the relevance of the borrowing rate ceases, because the rate of return on assets increases while the borrowing cost falls, until at some point on the income scale, the borrowing rate is no longer marginal—the return on assets playing the role instead. When that point is reached, consumer credit is likely to be in the form of charge accounts owed as a matter of convenience, and mortgages owed—in part—in order to raise funds for investment purposes.

Table 11 also shows the interest rates applicable to debtors in these income classes. As in model A, rates of 9 percent on short-term debt and 5 percent on mortgages are used in deriving these rates, but in the case of the upper-income classes, it is assumed that interest payments are deducted from the tax liability and the rates are, adjusted accordingly.

To derive the rates of return which upper-income families earn on their assets, we estimate asset holdings by income class and the rates applicable to each asset category. Table 12 shows in what form upper-income classes receive property income as reported in income tax returns.

TABLE 11.—*Debt position of families with incomes over \$5,000*

Income class (thousands)	Percent owed more than \$100 of short-term debt ¹	Percent owed mortgages only ¹	Percent owed neither kind of debt	Interest rate applicable to debtors (percent)
\$5 to \$7.5.....	56	11	33	6.2
\$7.5 to \$10.....	52	22	26	5.6
Over \$10.....	41	22	37	4.9

¹ 1956 Survey of Consumer Finances, op. cit. pp. 701-03.

In the case of business and professional income, part is actually managerial wages or income earned for supplying professional services. While we have no direct data on this breakdown, the Department of Commerce has estimated that, in 1949, 11.3 percent of all incomes of \$5,000 and over was professional income; 37.8 percent, from farms; and the remaining 50.9 percent from unincorporated business.¹⁹ We consider all of the professional income to be a form of wages.²⁰ As for the income from farms and

TABLE 12.—*Percentage breakdown of nonwage income in upper income classes¹*

Income class (thousands)	Business and professional	Dividends plus retained earnings	Rent	Interest	Income from trusts
\$5 to \$7.5.....	69.9	14.2	8.9	5.0	2.1
\$7.5 to \$10.....	67.0	17.0	6.9	6.2	2.7
\$10 to \$15.....	67.0	18.4	6.7	4.5	3.4
\$15 to \$20.....	66.3	19.6	6.1	4.2	4.0
\$20 to \$30.....	62.7	21.8	5.9	4.2	5.3
\$30 to \$50.....	58.6	26.1	5.5	4.0	5.8
\$50 to \$100.....	46.3	36.4	5.5	3.9	8.2
Over \$100.....	22.2	56.8	4.3	2.9	13.9

¹ "Statistics of Income for 1952, Preliminary Report," op. cit. Direct data on the holdings of assets of investors, not derived from tax information, are generally consistent with the figures given here. See J. K. Butters, L. E. Thompson, and L. L. Bollinger, "Effects of Taxation on Investment by Individuals" (Boston: Graduate School of Business Administration, Harvard University, 1953), p. 468.

¹⁹ U.S. Department of Commerce, "National Income, 1954 Edition, A Supplement to the Survey of Current Business," p. 76.

²⁰ While many professions require considerable investment in equipment, a reduction in income would not be likely to affect this kind of investment.

unincorporated business, we allow 50 percent of the income as managerial wages and the remainder as income earned on assets. Table 13 gives the distribution of income from assets which is implied by these assumptions.

TABLE 13.—*Percentage breakdown of income from assets in upper-income classes*

Income class (thousands)	Business	Dividends plus retained earnings	Rent	Interest	Income from trusts
\$5 to \$7.5.....	56.4	20.6	12.9	7.2	3.0
\$7.5 to \$10.....	47.5	27.2	11.1	9.9	4.3
\$10 to \$15.....	47.4	29.4	10.7	7.2	5.4
\$15 to \$20.....	46.5	31.0	9.6	6.6	6.3
\$20 to \$30.....	42.7	33.5	9.1	6.5	8.2
\$30 to \$50.....	38.2	39.0	8.2	6.0	8.6
\$50 to \$100.....	27.5	49.0	7.4	5.2	10.9
Over \$100.....	10.9	64.2	5.1	3.3	15.8

Turning to the rates of return, figure 14 throws considerable light on prevailing rates in unincorporated business. Each dot on the frequency distribution indicates the median rate of return of a sample of firms in an industry. Most of the firms have assets in excess of \$50,000—the proper size to yield incomes which fall into the brackets with which we are concerned. Both the means and the medians of the industry medians fall very close to 6 percent²¹ for all three categories of data; we use this figure as our estimate. In the case of farming, the average rate of return on investment, after allowing for the value of operator and family labor, has been estimated at 4.9 percent for the year 1949, although the return in 38 percent of the regions of the United States is in excess of 6 percent.²² The subsequent deterioration of farm prices has lowered the average return. But we are concerned with farms yielding an income in excess of \$7,500, earned only on the farms which are the largest and most successful, and located in the better regions, and so we assume a rate of return of 6 percent to apply.

Treatment of the returns on stock poses severe problems. The ex post rate of return has been extremely high in recent years because of the doubling of common stock prices. If we considered all capital gains to be income, the annual rate of return of recent years would exceed 15 percent. But in making decisions, individuals did not fully anticipate these capital gains, nor would it be realistic to suppose that this rate will continue indefinitely. Yet, it also would be unrealistic to exclude all capital gains, since the high rate of income retention of corporations makes likely the continued growth of the value of stocks. To take account of this factor, we assume that the yield on stocks is equal to dividends plus retained earnings. In 1955, the average dividend yield on all common stock was 3.93 percent; since only 50 percent of earnings was paid out, we assume a total rate of return of 8 percent.

Income from rent, interest, and trusts represents relatively small shares of total property income. For the rate of return on real estate, we use two sources. The first is profits of corporations whose main business is the holding of real estate. This has been at the rate of 12 percent before taxes,²³ a figure which primarily represents commer-

cial property and apartment houses. Second, for residential property as a whole, some unpublished investigations of R. Muth suggest an average rate of 5.5 percent.²⁴ Since commercial property and residential property of above average profitability are likely to be held by individuals in the upper-income brackets we assume that rental income is earned at a rate of return of 8 percent. For interest, a rate of 3 percent is assumed. This is slightly higher than the rates of 2.8 to 2.9 percent which prevailed on Government bonds in 1955, but lower than the average yield of 3.25 percent on corporate bonds.²⁵ Finally, we assign an interest rate to income from trusts. Since the trusts represent various combinations of other assets, we simply assume that their rate of return is equal to the average rate of return earned by the income class.

TABLE 14.—*Rates of return earned by households, adjusted for taxes by upper-income classes and form of property*

Income class (thousands)	Rates of return for form of property income (percent)				
	Business income	Dividends plus retained earnings	Rent	Interest	Average rate of return ¹ (percent)
Rate of return before tax ²	6.0	8.0	8.0	3.0	-----
Rate of return after taxes by households ³ for—					
\$5 to \$7.5.....	4.5	6.5	6.0	2.2	5.0
\$7.5 to \$10.....	4.2	6.2	5.7	2.1	4.7
\$10 to \$15.....	3.8	5.8	5.1	1.9	4.4
\$15 to \$20.....	3.2	5.1	4.2	1.6	3.8
\$20 to \$30.....	2.5	4.6	3.2	1.2	3.2
\$30 to \$50.....	2.1	4.4	2.8	1.0	3.1
\$50 to \$100.....	1.4	4.0	1.9	1.2	2.9
Over \$100.....	.7	3.4	.9	.9	2.8
Applicable rate of return ⁴ for—					
\$5 to \$7.5.....	4.5	6.5	6.0	2.2	5.0
\$7.5 to \$10.....	4.4	6.4	6.0	2.2	4.9
\$10 to \$15.....	4.4	6.4	5.9	2.2	5.0
\$15 to \$20.....	3.9	5.9	5.2	2.0	4.6
\$20 to \$30.....	3.9	6.0	5.1	1.9	4.6
\$30 to \$50.....	3.7	5.8	4.9	1.8	4.6
\$50 to \$100.....	3.2	5.6	4.3	2.3	4.6
Over \$100.....	2.8	5.2	3.7	1.9	4.6

¹ The average is weighted by the distribution of property income within the income class.

² See text.

³ The following marginal tax rates are applied to the respective income classes: 0.25, 0.29, 0.36, 0.47, 0.59, 0.65, 0.76, and 0.89. These rates represent the marginal rate in each income class as indicated by the average tax liability reported for the class. In applying the rates, half of the income from stock is considered long-term capital gain. Also 25 percent of the interest income in the top 2 brackets is considered to be from tax-exempt bonds yielding an average of 2.6 percent; this assumption is based on the findings of Butters, Thompson, and Bollinger, op. cit., p. 468.

⁴ These rates are derived as follows: We assume the following marginal propensities to save: 0, 12, 26, and 26 percent respectively on the first 4 brackets, and 40 percent on all brackets over \$20,000. (Source: Survey of the Bureau of Labor Statistics to revise the Consumer Price Index, 1950, as reported in Business Week, June 16, 1956, p. 104; the figure for the top bracket is based on the 1936 survey of the National Resources Committee, reported in M. Bronfenbrenner, et al., "A Study in Redistribution and Consumption," Review of Economics and Statistics, May 1955, p. 153, adjusted downward in accordance with the shift of the known portions of the consumption function.) We apply the rates after tax to the portion of the tax cut that would be consumed and the rates before tax to the share that would be invested, and then compute a weighted average.

These rates can be given an alternative interpretation to that of the text. Where the Government is considered a partner in the ownership of the assets, the return in excess of the after-tax rate can be considered to be the return earned by the Government on the assets. The rate at which taxes are paid on the part of the tax cut which is invested measures the Government's share of the returns.

²⁴ For an abstract, see R.F. Muth, "The Demand for Non-Farm Housing," *Econometrica*, April 1957, p. 365.

²⁵ Board of Governors, Federal Reserve System, "Federal Reserve Bulletin," May 1956, p. 477.

²¹ Use of the median assures that the presence of a few large firms or of a few extreme values will not bias the estimates.

²² E. G. Strand, E. O. Heady, and J. A. Seagraves, "Productivity of Resources Used on Commercial Farms," U.S. Department of Agriculture, Technical Bulletin, No. 1128, November 1955, p. 50.

²³ U.S. Treasury Department, Internal Revenue Service, "Statistics of Income for 1951" (Washington, D.C.: Government Printing Office, 1955), and Statistics of Income for 1952, op. cit.

These rates have been stated before taxes. In the case of funds actually used for investment, this rate measures the social opportunity cost since the assets which the money makes possible yield this return. But in determining a rate of interest which measures the value of the funds used for consumption, we must use the rates of return that could be earned after taxes, since these are the rates which households actually face in making decisions. Table 14 first gives the rates of return after taxes, and then shows the adjusted rates of return allowing for the higher rates that must be applied to the portion of the tax cut which is actually invested. Taking these adjusted rates in combination with the distribution of various kinds of property income of table 13, we derive the average rates of return applicable to the property holders in each income class (final column of table 14). Combining the resulting rates with the rates given for debtors in table 11, we derive the average interest rate for the entire income class³ (column 3, table 15). Finally, bringing in the rates for low-income classes from model A, and the distribution of the tax cut from table 10, we compute the overall interest rate for this form of tax cut. These computations, summarized in table 15, show an overall rate of 5.29 percent.²⁰

TABLE 15.—*Summary of derivation of interest rate applicable to proportionate reduction of personal income tax payments*
[Percent]

Income class	Interest rate applicable to debtors	Interest rate applicable to investors	Average rate for class	Percent distribution of tax cut
(1)	(2)	(3)	(4)	
0 to \$3,000.....			7.0	3.6
\$3,000 to \$5,000.....			5.8	13.2
\$5,000 to \$7,500.....	6.2	5.00	5.8	24.0
\$7,500 to \$10,000.....	5.6	4.93	5.4	14.4
\$10,000 to \$15,000.....	4.9	5.03	5.0	10.3
\$15,000 to \$20,000.....		4.56	4.6	5.0
\$20,000 to \$30,000.....		4.64	4.6	6.5
\$30,000 to \$50,000.....		4.58	4.6	7.8
\$50,000 to \$100,000.....		4.56	4.6	7.7
Over \$100,000.....		4.63	4.6	7.5
Average applicable interest rate.....				5.29

Source: See text.

REDUCING THE CORPORATION INCOME TAX PROPORTIONATELY

In order to discover the interest rate applicable to a cut in the corporation income tax, we must first analyze its incidence. To what extent is it passed on to consumers through lower prices and to workers through higher wages? There is little evidence on these questions. Colm argues²⁷ that the benefit of the reductions after World War II accrued primarily to profits and, to some extent, to wages, but that under less inflationary conditions more of the tax cut would be passed on to consumers. Musgrave,²⁸ in his study of the incidence of taxation, assumes that 33 percent of the tax is passed on to consumers and 12 percent to wage and

salary earners, leaving 55 percent as the increase in corporate earnings. We adopt his assumption for our tax cut.

The interest rate applicable to the share of the tax cut benefiting wage and salary earners can be derived from the distribution of this form of income by income classes and our earlier estimates of interest rates. Similarly, the part of the tax cut passed on to consumers can be allocated to income classes in accordance with the distribution of consumption, and then be combined with our interest rates. The rates derived from these computations, summarized in table 16, are 5.81 percent for wage and salary earners and 5.68 percent for consumers.

TABLE 16.—*Derivation of interest rates applicable to the shares for wages and salaries and consumption of a reduction in the corporation income tax*

Income class	Percent distribution of wages and salaries ¹	Percent distribution of consumption ²	Applicable interest rates ³ (percent)
\$0 to \$3,000.....	15	12	7.0
\$3,000 to \$5,000.....	33	24	5.8
\$5,000 to \$7,500.....	29	29	5.8
\$7,500 to \$10,000.....	11	15	5.4
\$10,000 to \$15,000.....	5	9	5.0
Over \$15,000.....	7	11	4.6
Average applicable interest rate (percent).....	5.81	5.68	

¹ Statistics of Income for 1952, op. cit., adjusted for 1955 conditions by applying the pattern of change of the distribution of personal income as reported in Goldsmith, op. cit.

² Assumes average propensities to consume in the respective income brackets as follows: 1.1, 0.96, 0.90, 0.82, 0.75, and 0.60. These propensities are taken from M. Bronfenbrenner, et al., op. cit.; values for the four lower income classes are based on Federal Reserve Board data for 1950; values of the two upper income classes are from National Resources Committee data for 1935-56, adjusted upward in accordance with the drift of the known portions of the consumption function.

³ See tables 7 and 15.

Part of the unshifted portion of the tax cut is passed on to dividend recipients. We use the relationships between dividends and earnings established by Lintner to discover the share going to dividends. He found that an increase in earnings will lead to a gradual increase in dividends until the traditional payout ratio of the firm has been restored.²⁹ In the first year, dividends will rise 13.5 percent of the increase in earnings; in subsequent years, the same percentage of the gap between the dividend paid in the previous period and the dividend called for by the firm's traditional payout ratio will be closed. For the country as a whole, the average payout ratio was about .50³⁰ in 1955, so a reduction of the tax by \$1 will increase dividends 13.5 cents in the first year, 23.4 cents in the second year, and so on until the increase would equal 50 cents. An average of these payments over a period of 100 years—a period corresponding to the economic life of water resource projects—would be 47 cents. So, of the 54 percent of the tax cut which accrues to increase profits, 47

percent is passed on to dividend recipients. The distribution of dividends by income classes is given in table 17. Applying the interest rates derived earlier, we find that a rate of 4.96 percent is applicable to this portion of the tax cut.

These allocations leave 29.2 percent of the tax cut as the increase of retained earnings. How much will the investment of the taxed firms increase as a result? To answer this question, we consider firms with assets greater than \$10 million separately from smaller firms. This division into "large" and "small" corporations is necessary because the influence of the availability of additional funds on investment varies sharply with the size of the enterprise. We assume that 75 percent of the tax is paid by large firms, 25 percent by the rest.³¹

TABLE 17.—*Derivation of interest rate applicable to the share of corporation income tax cut benefiting dividend recipients*

Income class (thousands)	Percent distribution of dividends ¹	Interest rate ² (percent)
0 to \$3.....	4	7.0
\$3 to \$5.....	6	5.8
\$5 to \$7.5.....	8	5.8
\$7.5 to \$10.....	7	5.4
\$10 to \$15.....	11	5.0
\$15 to \$20.....	7	4.6
\$20 to \$30.....	11	4.6
\$30 to \$50.....	13	4.6
\$50 to \$100.....	14	4.6
Over \$100.....	19	4.6
Average applicable interest rate.....		4.96

¹ Statistics of Income for 1952, op. cit.

² See table 15.

In regard to large corporations, Lintner cites a number of reasons for believing that the effect on real investment will be small.³² Most corporations are forced to maintain a certain level of investment. Failure to expand capacity or to maintain a steady rate of reduction of costs, by jeopardizing the firm's competitive position in the industry, would pose a serious threat to its longrun future. Investment for diversification, which is usually motivated by a desire to reduce the variability of production levels and earnings, would also be relatively immune to changes in tax rates. If internally generated funds are inadequate for these purposes, the firm borrows. The effect on investment incentives caused by a tax rate which takes away part of a firm's profits on

³¹ In 1951, corporations with assets over \$10 million paid 70.4 percent of the tax (Statistics of Income for 1951, op. cit.). Figures for all corporations for 1951 are not yet available, but we can make a good estimate from the data on manufacturing. In this sector, which pays two-thirds of the entire tax, the percentage paid by large corporations rose from 76 to 82 percent from 1951 to 1955. Our estimate assumes a somewhat smaller increase of taxes paid by large corporations outside manufacturing.

³² J. Lintner, "Effects of Corporate Taxation on Real Investment," American Economic Review, May 1954, pp. 520-534. For an analysis of the effect of taxation on the conditions of supply of capital, see J. K. Butters, "Federal Income Taxation and External vs. Internal Financing," Journal of Finance, September 1949, pp. 197-205. In times of very tight money, the effect on internal investment will be larger, of course. For a somewhat stronger emphasis on liquidity as an investment-determining variable, particularly in recessions, see J. Meyer and E. Kuh, "Acceleration and Related Theories of Investment: An Empirical Inquiry," Review of Economics and Statistics, August 1955, pp. 217-230.

²⁰ If we assume that an additional return of 3 percent above borrowing cost accrues to the investors to whom the additional savings are made available, our estimate is increased by 0.61 percentage points to 5.9 percent. This probably overstates the effect, since the return to the investor is identical with the return to the saver on a large part of the property incomes.

²⁷ Gerhard Colm, "The Corporation and the Corporation Income Tax in the American Economy," American Economic Review, May 1954, p. 493.

²⁸ Musgrave, Carroll, Cook, and Frane, op. cit., p. 16.

²⁹ J. Lintner, "Determinants of Corporate Savings," Chapter 14 in "Savings in the Modern Economy," W. Heller, ed. (Minneapolis: University of Minnesota Press, 1953); and Lintner, "Distribution of Incomes of Corporations among Dividends, Retained Earnings and Taxes," American Economic Review, May 1956, pp. 97-113.

³⁰ "Statistics of Income for 1952, op. cit. The payout ratio of small corporations is lower, and we assume a ratio of .35. This figure is an average of the payout ratios by asset size, weighted by the distribution of tax payments, and allowing for a gradual approach to the average ratio.

successful ventures, is, to a large extent, offset by the Government's bearing part of the losses through reduced tax liability in the event of failure. Finally, in many instances, the limit to a firm's rate of expansion is not set by the diminishing attractiveness of profit opportunities in relation to borrowing costs, but rather by its supply of managerial personnel. The firm undertakes as much investment as its staff can handle successfully. Lintner believes this analysis to be particularly applicable in periods of high employment. In depressions, firms hesitate to borrow for fear of inability to repay, and the relationship between the levels of taxation and of investment becomes much stronger. Since our analysis supposes that a successful stabilization policy precludes depression, we assume that an increase of retained earnings of \$1 would lead to only 10 cents of added investment in the firm. A rate of return of 21 percent, the average rate of return of large corporations in 1955 before taxes,³³ is assumed for the share of the tax cut that would be invested by the firm.

The liquidity of the large firm would be increased by the remaining 90 cents of increased retained earnings. Firms with a significant amount of debt would be able to lower it; firms which raise funds by financing their accounts receivable could reduce this practice; those which are creditors would be able to increase their financial assets—consisting in the case of large corporations primarily of Government securities.³⁴ Thus, the major share of the increase of retained earnings would add primarily to that large pool of low-interest, low-risk, relatively liquid capital into which excess corporation funds are channeled, and from which the loans of large corporations, governments, and financial institutions are drawn. An increase in the supply of loanable funds in this market would have several effects. To some extent, interest rates on low-risk securities would fall and the severity of rationing would diminish, leading to some increase of mortgages and perhaps even a small increase of business borrowing. The effect of the drop in low-risk interest rates would be gradually diffused through the credit structure, as banks and other financial institutions adapted their portfolios to the changed pattern of interest yields. Because the primary impact of an increased supply of funds is on the low-interest, low-risk sector of the capital market, and only the spillover occasioned by secondary repercussions makes funds available to risky investments pro-

ducing higher yields, we assume an average rate of 5 percent to apply to this part of our tax cut.

The investment behavior of small corporations is considerably more sensitive than that of large corporations to changes in tax rates.³⁵ Companies with high growth potential are affected most adversely by corporate taxes, which prevent internal accumulation of the capital they need. External sources of long-term capital are available to small companies only at high cost in terms of both money and loss of control.³⁶ The corporation income tax also diminishes the attraction of risky investments, since a small firm is less likely to be able to take advantage of the loss-offset provisions to reduce the tax liability on profitable operations. But the significance of these arguments should not be overstated. Not all small business would grow rapidly in the absence of taxes; and need for new capital of many companies is small and can be satisfied. A recent survey of the Department of Commerce³⁷ found that of all the firms in their sample, 56 percent had no desire for outside financing, 24 percent obtained all the funds they desired, 13 percent obtained some, and only 7 percent failed to obtain any. New firms were somewhat less successful in raising capital and, most significantly, it was the demand for long-term and, particularly, for equity funds which failed to be met. On the basis of this evidence, we assume that 50 percent of the increase in retained earnings is invested within the small firm; to this we assign a rate of 18 percent.³⁸ The remaining 50 percent, we assume, is used to reduce bank loans or to purchase liquid assets, at a rate of 5 percent. The computation for this form of tax cut is summarized in table 18. The interest rate applicable to a reduction of the corporation income tax is 5.59 percent.³⁹

³⁵ Lintner, "Effects of Corporate Taxation on Real Investment," op. cit., p. 533.

³⁶ For an analysis of the case of the growing firm, see J. K. Butters and J. Lintner, "Effect of Federal Taxes on Growing Enterprises" (Boston: Graduate School of Business Administration, Harvard University, 1945).

³⁷ Loughlin F. McHugh and Jack N. Ciacco, "External Financing of Small and Medium-Size Business," Survey of Current Business, op. cit., October 1955, pp. 15-22.

³⁸ This rate is obtained as follows: In manufacturing, to which 54 percent of the tax cut accrues, the average rate of return of small corporations was 18 percent in 1955 (Quarterly Financial Report, op. cit.); for utilities, which pay 9 percent of the tax, the rate is about 10 percent; and in trade, which pays 18 percent of the tax, the rate is 20 percent (footnote 33). The remaining 19 percent of the tax cut goes to finance, services, and construction; we assume that the average rate for small corporations applies here. A weighted average of these rates yields our estimate.

³⁹ Again making an allowance of 3 percent for the return accruing to the investors of the additional personal savings, our estimate is raised by 0.24 percentage points to 5.83 percent. Were we to assume an extra return of 3 percent on the funds made available to the capital market by corporations as well, the total estimate would rise to 6.59 percent. In times of moderate monetary policy, the condition postulated for our analysis, these effects would not be of the magnitude indicated here.

TABLE 18.—Summary of derivation of interest rates applicable to proportionate reduction of corporation tax payments

Incidence	Percent of tax cut	Applicable interest rate (percent)
Shares of tax cut:		
Shifted to consumers.....	33.3	5.68
Shifted to wage and salary earners.....	12.5	5.81
Left as increased corporate earnings.....	54.2	-----
Large corporations—Distribution of 75 percent of total increased corporate earnings:		
47 percent passed on in dividends.....	19.1	4.96
53 percent retained as earnings of which—		
10 percent invested in firm.....	2.2	21.00
90 percent reduces debt or loaned in market.....	19.4	5.00
Small corporations—Distribution of 25 percent of total increased corporate earnings:		
35 percent passed on in dividends.....	4.7	4.96
65 percent retained as earnings, of which—		
50 percent is invested in firm.....	4.4	18.00
50 percent reduces debt or loaned in market.....	4.4	5.00
Average applicable interest rate.....	-----	5.59

Source: See text.

Combining this estimate with the interest rate of 5.29 percent for the proportionate reduction of personal income taxes, we derive an overall estimate for model B of 5.44 percent.

INTERPRETATION OF OUR RESULTS

The estimates of opportunity costs derived from our two models were quite similar, although the assumed changes in taxation were very different. This suggests that a value of the order of magnitude of our derived results could serve as a measure of the social cost of capital for Federal investment. But before accepting this conclusion, it is necessary to examine possible errors in the assumptions and in the data of our quantitative analysis.

ACCURACY AND LIMITATIONS

A possible source of error is our analysis of the incidence and effects of taxation. Insofar as possible, we have tried to follow the views generally held by experts in this field. Changes in most of our assumptions would have only a moderate effect on the results. Experiments with somewhat different assumptions of incidence produced estimates similar to those obtained. Two exceptions, however, would upset our results. First, if it is assumed that a reduction in the corporation income tax will lead to an upsurge of investment by large corporations, then more of the tax cut would earn the high rates of profit which are prevalent. We have tried to show, however, that this effect is unlikely under the assumed economic condition of high employment. Second, it can be argued that the high levels of Federal taxation lead to a large waste of economic resources caused both by the managerial efforts devoted to the tax problem and the distortions in economic decisions of firms and households resulting from a desire to avoid taxes. These considerations are not likely to have much relevance to the problem under study here because the

³³ This figure is derived as follows: 78 percent of the tax cut goes to manufacturing, 17 percent to utilities, and 5 percent to trade. The average rate of return of large corporations in manufacturing was 23.8 percent (reported in Quarterly Financial Report for Manufacturing Corporation, 4th Quarter 1955, Federal Trade Commission and Securities and Exchange Commission, Washington, April 1956). The rate for utilities was estimated directly from prevalent standards of rate regulation to be equal to 10 percent. The rate for trade, which is equal to 20 percent, assumes that it stood in the same ratio to the rate in manufacturing as in 1952. (Figures for 1952 from SEC data.) A weighted average yields our estimate. The concept of rate of return used by the SEC may overstate the actual rate by 1 to 2 percent.

³⁴ C. E. Silberman, "The Big Corporate Lenders," Fortune, August 1956, p. 112.

magnitudes of the possible tax reduction are so small compared to the taxes which are needed to finance defense and other programs. Our result is meant to apply only to small tax cuts.⁴⁰

The rates of return which we assumed are another possible source of error. Through parts of the analysis, average rates were used to approximate marginal rates of return. Households were assumed to add to their assets in such proportion that the average rate of return of their property incomes would remain constant. For any one firm or household that is not likely to be a good approximation; but for large aggregates the error will be smaller. The typical household will not hold assets in the proportions of the group average; some households will make investments in their own business, others in common stocks, others in real estate—depending upon the experience of the head of the household and the opportunities to which he has access. Additional funds are likely to be put into the household's major form of asset. With the tax cut spread over all households in the income class, the money is likely to be invested proportionately to total holdings.

Similarly, business was assumed to make its additional investments at a rate equal to its average rate of return. In the case of industry, the tax cut is diffused over successful and marginal firms in many fields. This does not rule out a systematic bias between marginal and average rates, but the direction of bias is not clear. On the one hand, extra funds must go into investment opportunities which are considered marginal in comparison to the opportunities that are undertaken without the tax cut. On the other, new investment opportunities may yield generally higher returns than the reported average for old and new capital. Also, business will not undertake any investment unless the expected rate of return meets minimum standards that are sufficiently high actually to yield an adequate return for the particular kind of investment. Finally it should be stressed that most of model A and a large part of model B do not use this approximation.

Our results are not meant to apply in periods of serious inflation or depression. In an inflationary period, monetary policy is likely to be pursued with such vigor that the supply of investible funds to firms will be severely restricted, while the attractive-

ness of high returns on investments will exercise strong pressure to invest any funds that become available. Under these conditions, the increase in retained earnings made possible by a reduction in the corporation income tax would, in large part, lead to investment within the firm. Since large corporations tend to earn high rates of return on internal investments, the interest rate applicable to such a tax cut would be considerably higher than our estimates. Even the reductions in personal taxes are quite likely to have significant investment effects. For in periods of money shortage, when there is sharp competition among borrowers for funds, more personal savings are likely to find their way into business uses in which high rates of return prevail.

In years of depression, when government expenditures are designed to raise the total level of effective demand in order to employ idle resources, the social cost of capital is extremely low. Tax policy, in such periods, would endeavor to tax idle hoards of funds rather than money which would be spent for consumption or investment; and much of public expenditures would be financed by government loans designed to avoid competition with private demands for investible funds. In real terms, many of the resources absorbed by public investment would have been idle and, hence, would have an opportunity cost close to zero. Expressed as an interest rate, it is not at all inconceivable that the social cost of public capital would be negative in such circumstances.

The year 1955, for which our estimate was derived, can be considered typical of long-term conditions, however. Employment was high, though not to a point where inflation had set in. Fiscal and monetary policies were moderate, endeavoring to keep the economy within a narrow range of balance, without drastic inflationary or deflationary measures. Consumer indebtedness reached an all-time high, but the strong upward trend in the use of credit suggests that the debt position of 1955 will be typical for future years.

How wide then is the range of error of our estimates? We believe that the actual level lies within a range of 1 percent of our estimates for the general economic conditions postulated for our analysis. This statement is based both on judgment and upon experiments in which those assumptions most open to question were varied. Combining all reasonable assumptions that would raise the rate yields an estimate of 7 percent; conversely, all plausible assumptions that would produce a low rate yield an estimate of 5 percent. It is our conclusion that the probable value for the economic conditions postulated lies between 5 and 6 percent.

AN ALTERNATIVE: A TIGHTER MONETARY POLICY

So far, our analysis has assumed that the expenditures for water resource projects would be offset by taxation sufficient to preserve balance in the economy. Let us also consider briefly the case where monetary rather than tax policy is used to restore equilibrium. An expansion of the Federal program would then have to be offset by a tightening of monetary policy of sufficient degree to release the quantity of resources needed for the program. To estimate the social cost of capital under this assumption, it is necessary to discover which economic activities would be curtailed by the diminished supply of credit.

It is unlikely that a change in monetary policy would be a permanent method of compensating for a change in expenditures, because this would reduce the remaining potential of this stabilizing weapon. But the initial offset might well be in this form, subsequently to be converted into a change of tax rates.

We shall not undertake a full-scale quantitative effort to measure the incidence of monetary policy. The kinds of assumptions required would be considerably more arbi-

trary than those of our tax study, and the rates of return that would be earned by the marginal borrowers to whom credit would be denied could not be estimated with sufficient accuracy. However, we can get some idea of the order of magnitude by listing the sectors affected by monetary policy and the rates of return prevailing in them.

Bank loans are the traditional, perhaps most important, form of credit that can be reduced through monetary policy. Loans to business, which totaled \$31 billion in 1955, were made at nominal average rates of 4.2 percent.⁴¹ While we cannot estimate what rates of return would have been earned on curtailed loans, we know that the rate expected by the borrower must be at least 4.2 percent. And it is probably more, in view of the somewhat higher interest rates charged to marginal borrowers and the return above borrowing cost which must be expected as an incentive to take the risk of the investment. Loans to individuals totaled \$17 billion and were made at a wide range of rates—from as low as 4.5 percent to over 10 percent, depending upon the purpose, the collateral, and the credit worthiness of the individual. The marginal loans that would be refused because of a tighter monetary policy would have borne rates well above the minimum of the range.

The market for mortgages would also be tightened by monetary policy, both through a toughening of the terms and diminished availability of funds. Total outstanding mortgages were in excess of \$130 billion, but the impact of the policy is concentrated on only a portion of the market. The rates on this category of credit largely fall between 4½ and 6 percent and would apply to the mortgages that are precluded by the change in the monetary policy necessitated by a public investment. Debt issues of State and local governments would be curtailed, bearing very low interest rates, but often used to finance investments yielding higher returns, e.g., schools, hospitals, etc. Other forms of credit—such as brokers' loans on securities, corporate borrowing from sources other than banks, etc.—would also bear part of the impact, but the effect would be less important quantitatively.

These figures suggest that the social cost of Federal capital raised in this manner is roughly of the same order of magnitude as the cost of releasing the necessary resources through taxation. Depending upon the exact combination of weapons employed by the monetary authorities and the circumstances at the time, the rate might be somewhat higher or lower; but the difference in cost under the two types of policies is moderate. The extent to which the resources will be drawn out of investment rather than consumption will differ more broadly, however.

AN ALTERNATIVE: SEPARATING RISK-BEARING FROM PURE INTEREST

So far, we have treated risk as a source of market imperfection, and have considered differences in interest rates caused by varying risk premiums to lead to a misallocation of resources. In the model we employ, a correct allocation of resources would require that the rate of return on marginal investments of all kinds be the same. If it were not, the total return could be increased by switching investments from fields with low marginal returns to fields with higher returns. In the real world, where there are differences in risk, a higher return is expected to prevail on the riskier investment, with part of this higher return a risk pre-

⁴⁰ We have made no allowance for effects originating in rounds of responding subsequent to the economic units on whom the initial impact falls. The increase in disposable income due to a tax reduction will have multiplier effects on the incomes of others, of course, but we have assumed that a correctly managed fiscal and monetary policy offsets these multiplier effects. Nevertheless, the multiplier effects and their policy offsets will lead to some redistribution of income, and it is logically possible that there are systematic differences between the time preferences of the gainers and the losers of this redistribution. This would affect our estimate. But since both the initial repercussions and their offsets are diffused more or less randomly through the economy, it is most unlikely that there will be systematic differences between the two groups in this regard. Further, the similarity of our estimates for different taxes argues that if there are systematic differences in the two groups with regard to important economic characteristics, the effect of the social cost of capital will still be small. For a full discussion of these effects, see A. H. Conrad, "The Multiplier Effects of Redistributive Public Budgets," *Review of Economics and Statistics*, May 1955, pp. 160-73; also see M. Bronfenbrenner, Taro Yamane, and C. H. Lee, "A Study in Redistribution and Consumption," *ibid.*, pp. 149-159.

⁴¹ "Business Loans of Member Banks," *Federal Reserve Bulletin*, op. cit., April 1956, pp. 328-40. This rate makes no allowance for the common practice of requiring minimum account balances, which raises the effective rate of the loan by as much as 1 percent.

mium. This a reward for taking risks, and may be needed to attract capital into risky uses. Yet our model would consider such differences inefficient; we assume that the riskiness of the returns on an investment do not detract from their contribution to real national income. That is, the satisfaction derived from the national output is independent of the total amount of risk taken on the Nation's investments.

In the context of public investments, there is considerable justification for this assumption. From the point of view of the economy as a whole, the risks on investment are far smaller than the sum of risks of individual investments. Where one undertaking in one locality may fail far short of its expected outcome, other undertakings will succeed beyond expectations, and to some extent the failure of some assures the success of others. There is much cancellation of risks since the insurance principle of pooling reduces greatly the relative dispersion of outcomes for the Nation's investment program as a whole. And, from the point of view of the longrun growth of the country, the increase of national income produced by risky investments on which a high return is to be earned, whatever the reason, will be greater than the increase of income to be expected from low-risk, low-return investments.

There are other reasons for adhering to our model's assumption. First, the empirical evidence on the relationship between risk-taking and individual welfare is scanty and unconvincing. While people purchase insurance to reduce risk, they also gamble.⁴² Second, and more important, there are two very strong institutional factors in our economy which erode the relationship between high risk and high return. One is the giant corporation which undertakes so many investments that there is much pooling of risks within its own program. The suppliers of the corporation's capital bear only a fraction of the sum of risks of the individual investment projects, and the same is true of the company itself. The other institutional factor is our tax system, which makes risky investments particularly attractive to wealthy individuals, since they usually lead to capital gains rather than ordinary income. With much the largest part of the investable funds made available by personal sources⁴³ coming from taxpayers in the upper brackets, the differential between tax rates on capital gains and on ordinary income promotes the willingness to take risks to such an extent that the difference between the rates of return of risky and secure investments must be much diminished.

Let us briefly consider the cost of capital if risk premiums are treated as prices paid for the factor service of risk-bearing. Lenders are assumed to be rational in this respect, and the risk premium of a loan must be sufficient to compensate for the risk which is taken. On this assumption, a Federal loan which displaces a risky private loan and invests the proceeds in a risk-free project would entail a lower social cost than the alternative since there is a reduction in risk-bearing. If we make the bold assumption that all differences in interest rates for the same period are risk premiums, then it might be argued that the true social cost of a risk-free Federal investment is the pure

interest rate alone—a rate which is probably best approximated by the yield on Federal securities with a term equal to the life of the investment.

Actual resource projects are not free of risks, however. Where outputs are marketable, there is no assurance that the expected revenues will be collected; even in the case of nonmarketable outputs, such as recreation and flood control, there is no guarantee that the expected benefits will actually accrue. In the case of water resource projects, there are always the risks caused by meteorologic and hydrologic uncertainties. Yields on Government securities do not reflect these risks, since the Federal taxing power stands behind the bonds and any losses on projects will be paid out of taxes.

To discover a risk premium which reflects individual willingness to bear risks, we would need to estimate the cost of raising money for water resource projects that would be incurred by a public corporation unable to employ the taxing power to guarantee its securities. The cost of financing some of the purposes, such as navigation, electric power, and municipal water supply, would be similar to the cost incurred by private utilities, since the service and the risk is almost the same. These companies typically, could raise capital at an average cost of 4.5 percent in 1955,⁴⁴ which serves as a first approximation for these purposes. The financing of irrigation would, in part, depend upon the security of the repayment contracts and, in part, on the likelihood that the settlers would realize the projected benefits. Nonreimbursable purposes, such as flood control, for which there are no comparable private industries, are subject to the risk that benefits will not be fully realized. To impute risk premiums for these purposes, we would need to take account of the fact that in some instances, particularly in the case of flood control, the projects also serve to reduce risks—a factor which should lower the interest rate. We shall not venture an estimate. Suffice it to say that, taking the water resource program as a whole, the interest rate derived from these assumptions would be well above the pure rate of interest as measured by the long-term Government bond rate, but would be far below the highest rates prevailing in the private economy.

A FINAL COMMENT

Our statistical analysis has provided an estimate which is designed to reflect the social cost of capital raised by Federal taxation. We defined our concept of social cost in terms of the opportunities foregone in the private sector of the economy, either because of curtailed investment or of curtailed consumption. According to our results, if an efficient allocation of resources is the criterion, only those public investments that can produce a rate of return equal to the opportunity cost—or a rate of 5 to 6 percent—should be undertaken. In operational terms, this would require that an interest rate of that order be used in the evaluation of projects.

Acceptance of this conclusion, however, requires that the exact meaning of the notion of efficiency in this context be made clear. As we pointed out in chapter II, efficiency is a relative concept dependent on a specific distribution of income. An arrangement which is efficient with one distribution of income may be inefficient with another. The

set of demands resulting from one income distribution will not be identical with the demands generated by a different income distribution, and so the prices which lead to efficiency in one case will not be appropriate to the other.

In considering the efficiency of an interest rate, this interdependence takes on particular significance. The interest rate indicates the relative value of output realized at different points in time, including the relative values for different generations. When we accept an interest rate determined by the preferences of the present generation—as we do in our quantitative models—we implicitly accept the time preference of the present generation of decisionmakers. Children and unborn generations have no vote in the marketplace. With the power of the ballot distributed differently from the power of the purse, the community—when acting collectively through the political process—may decide on a distribution of consumption among generations different from the distribution it indicates through its saving behavior. There is no logical reason to give priority to one judgment over the other; our economic analysis must presuppose that the distribution of income and consumption implicit in the efficient allocation of resources is acceptable to society. Should an ethical choice be made through the political process to distribute more of the total consumption to future generations, our opportunity-cost measure of the interest rate would cease to be a proper indicator of social value. A lower interest rate might lead to a larger number of projects, would favor projects which are particularly longlived, and would lead to the fuller development of the potential of many project opportunities.

The decision not to abide by the market judgment need not be based entirely on ethical considerations. As we have seen earlier, the capital market is imperfect because of the riskiness of investment and for various institutional reasons. Also, because of imperfect perception of future circumstances and the uncertainties surrounding individual lives, it is less likely that consumers make their saving-borrowing decisions as rationally as their choices among commodities. Consequently, the actual intertemporal choices in our economy, including the determination of the overall level of saving and investment, are made in a rather haphazard manner.⁴⁵

These arguments provide a point of contact between economic analysis and conservationist philosophy. Most of the policies advocated in the name of conservation are designed to make stronger provision for the future than the market mechanism would call for. Resource development is a particularly potent area for the kind of investment designed to benefit future generations. There are opportunities for development of extremely enduring, in some cases perpetual, additions to the Nation's capital stock, which will increase in value as population and the economy grow. It may well be that the desire to redistribute income toward future generations can provide some rationale for continued use of a low interest rate.

But this line of argument has limitations. Insofar as a low interest rate leads to the justification of some projects at the expense of others which can produce a better return, the rate will result in a social loss even within water resource fields. Also, if the

⁴² Cf. M. Friedman and L. J. Savage, "The Utility Analysis of Choices Involving Risk," *Journal of Political Economy*, August 1948, pp. 279-304; and F. Mosteller and P. Nogee, "An Experimental Measurement of Utility," *ibid.*, October 1951, pp. 371-405.

⁴³ For a full discussion of this point, see J. K. Butters, L. E. Thompson, and L. L. Bollinger, "Effects of Taxation, Investment by Individuals" (Boston: Graduate School of Business Administration, Harvard University, 1953) especially chapters 2, 4-7, 9, 10, and 17.

⁴⁴ This assumes 50 percent of the funds to come from bonds paying 3.22 percent, 15 percent from preferred stock paying 4.25 percent, and 35 percent from common stock with an earnings price ratio of 6.5 percent. All figures are net of taxes. For a more detailed discussion of these figures, see ch. VII, table 38.

⁴⁵ It is not clear whether the actual level of saving is higher or lower than the ideal (defined in terms of the judgment of the present generation). On the one hand, the large gap between borrowing and lending rates indicates that the level is too low; on the other, the saving carried on by corporations may far exceed the level desired by their stockholders.

fundamental objective is the redistribution of income toward the future, the critical variable is not so much the interest rate as the overall level of investment.⁴⁰ The best policy to meet this objective is to increase the amount invested every year and to put the funds into those lines of activity in which the rate of return is greatest. In this way, the contribution to future output is maximized and, should the time profile of output made possible by the investment place too much of the output in early years, an appropriate share of it can be reinvested. A series of reinvestment cycles, each at a high rate of return, will make a greater contribution to the welfare of future generations than investment in one very durable project which yields a low rate of return. It may be possible that the Federal Government is limited in the fields in which it can employ the desired extra investment; that resource projects yielding low rates of return must be undertaken because of a lack of better opportunities. But this argument holds only if the additional ethical judgment is made that the extra investment must be carried on under Federal aegis.

There are other reasons for using a low interest rate. It may be a means of subsidizing new regions in a manner designed to promote their growth to maturity. In some instances, the low interest rate helps to justify projects needed as standby capacity for defense purposes. Or it may be a means of increasing the economy's rate of growth for the sake of preserving a lead over the Russian economy. But in these situations, the low interest rate serves to obscure the true issues. The public will be better informed and will be able to come to a more soundly based judgment if the costs of meeting these purposes are made explicit.

NOTE TO CHAPTER IV

We present a brief formal derivation of the model employed to measure the social cost of capital drawn from consumption.

Let C_t = consumption expenditure of individual l in the present period,

S_t = net saving of l in the present period,

Y_t = disposable income of l in the present period,

i_t = interest rate faced by l for his marginal saving-borrowing decisions,

Mr. PROXMIRE. Mr. President, it is my contention that there are many alternative uses for the money. This is apparent, I think, to every taxpayer, who could use it himself. It is also apparent to those of us who have real interest in education and many other problems falling within the public sector of the economy.

There are alternative uses for the water. Many of us are inclined to think that if we do not spend the money the water will somehow be wasted. The fact is that if we spend the money in this way the water will indeed be wasted, because it will be used for an inferior purpose, for which, as shown, the farmers do not wish to have it used. The project cannot be justified on the basis of any scholarly analysis of comparative value of the project with other investments which could be made by the Government.

The simplest example is that other water resources projects have a higher benefit-to-cost ratio, including a num-

ber of resource projects in this very valley.

As I say, there are other uses of water, which I wish to discuss.

I should like to quote very briefly from this letter, which I have had printed in the RECORD, from Mr. Floyd Dominy, Commissioner of Reclamation. He stated:

It has been pointed out informally in telephone discussions with your staff that most of the items listed on page 173 of the statistical appendix to our 1961 report are units of the Missouri River Basin project on which no contemporary investigations have been conducted. Agreement was reached with your representative to limit the information in response to this request to a representative group of projects and units for which reports have been completed within the past 4 or 5 years.

The table shows a series of projects, including some projects in the Missouri River Basin, which have, on the basis of either a 100-year analysis or a 50-year analysis, a far better benefit-cost ratio than Glen Elder. These projects have ratios on the basis of a direct analysis which, in some cases, making the 50-year assumption—and, of course, that is the most adverse assumption that could be made on the project—go as high as 2.5 percent. Then, when we consider the 100-year analysis, and provide not only the direct benefits but the total benefits, many of those are as high as 3.5 percent, 3.6 percent, and 3.2 percent.

Mr. Dominy said:

The foregoing list is limited to projects or units of projects for which feasibility-grade reports have been prepared either in the form of definite plan reports or as feasibility reports for project authorization. In addition, the following table presents comparable information on projects and units which are in our active construction program during fiscal year 1962.

For example, we find that the Mercedes Division, Lower Rio Grande rehabilitation project, Texas, has a direct cost ratio on a 50-year basis of 3.80 percent. If that is extended to total benefits for 100 years, the ratio is 15.80 to 1. Virtually all of these projects have far better benefit-cost ratios, than has Glen Elder. The reason I am putting those percentages in the RECORD and making the point in detail is because I argue that there are better ways for the Federal Government to spend its money than to spend money on a project which has been inadequately authorized and which has a very marginal showing of benefit-to-cost ratio.

OTHER ALTERNATIVES FOR THE USE OF SCARCE TAX DOLLARS AND SCARCE WATER

The use of benefit-cost ratios to compare and select the best irrigation project out of a list of many irrigation projects suggests that the prevailing Government policy is to give little consideration to other broader alternatives. The choice should not always be what irrigation project out of many to select, but rather whether an irrigation project should be constructed in lieu of some other projects which use the money and the water differently. Until we compare the benefit-cost ratios from these other alternatives with the benefit-cost ratios from any

irrigation projects, a complete economic analysis of the alternatives has not been completed. Until this is done we cannot be sure that the tax dollars have been used in the best manner possible. If the benefit-cost ratios are constructed in legitimate manner, they can be of value not in determining the economic merit of irrigation projects, but also the best alternative use for the funds and the water in other ways.

One alternative has already been suggested. If the money was not borrowed or taxed away by the Federal Government, it would be available for use in the private sector. It is possible that the real rate of return on the money, from a social point of view, might be higher than its use in these questionable irrigation projects.

If it is going to be taxed away or borrowed for the purpose of employment-stimulating public works, then the question becomes one of the best use in alternative Government employment. It is likely that the benefit-cost ratio of expenditure on education would be much higher than the ratio of expenditures for irrigation. The appropriation of \$17 or \$60 million for schools or hospitals could be much more beneficial to the public than the creation of more farm surplus.

That is what this project is. It would require \$17 million if we would take only the irrigation part of the project, or \$60 million if we would take the entire project for the production really of farm surpluses. Think what we could do if we could use that money instead to build hospitals, schools, or some other project which is really needed. We certainly do not need farm surpluses.

Certain local groups and regions might not benefit as much as they would through more special interest government spending, but from a national point of view the benefits would probably be much larger per dollar of Federal Government spending.

Even in the area of water resource development it would not be difficult to spend money and use water in a manner which would do everybody more good, even the people in the region involved. One study has indicated that irrigation is about the least valuable or worthwhile use for scarce water in the arid West compared to the alternative uses.

I should like to repeat that statement. One study has indicated that irrigation is about the least valuable or worthwhile use for scarce water in the arid West compared to the alternative uses. It was shown that if the water from one river in New Mexico was used for irrigation, the State's income would go up by \$265 million, and employment would go up by 60,000. If the same water was used for municipal-industrial purposes the maximum gains would be \$900 million a year, and employment would go up by 214,000 workers. This same study also indicated that water would be five times as valuable for recreation as for irrigation use.

Mr. President, what I wish to emphasize is that the value for industrial municipal purposes is even greater, because by using the water for farm purposes, what we are doing is producing food,

⁴⁰ For a fuller discussion of this point, see Otto Eckstein, "Investment Criteria for Economic Development and the Theory of Intertemporal Welfare Economics," *Quarterly Journal of Economics*, February 1957.

which goes right into storage and is merely a burden to the taxpayer. It is not food that we need or could use because we have too much of that now. As I have said, the study also indicated that water would be five times as valuable for recreation as for irrigation use.

This suggests the Federal subsidy to irrigation may be doing a severe disservice to arid regions if it results in a wasteful use of the scarce water resources in a community. If local government money, or private capital were to be used, it is more likely that both the scarce money and the scarce water would be used in the most efficient manner.

If we are interested in the growth and development of all the Nation's regions, and if the Congress is willing to subsidize such regional growth to promote a balanced national growth and better income distribution, the Federal funds could very easily be spent in a manner which would gain these ends in a manner which does less harm to the rest of the country.

By taking the money that currently goes into irrigation projects, and using it for more adequate programs in other areas, it is likely that everyone would be better off. The ARA type program, Hill-Burton, and Federal aid to education are all programs that could spend the same money in a manner which would improve on the present irrational irrigation program. The spectacle of using scarce tax dollars to misuse scarce water to grow grain sorghums at the same time the Federal Government is spending more scarce dollars to acquire the surplus grain sorghums of other farms is very distressing, to say the least.

It is possible that the same flood protection could be achieved in a manner which requires less Federal tax dollars. There are many alternative ways of minimizing flood damage in any given flood plain. And there is almost no way of preventing all flood damage for any reasonable amount. If every valley in America was protected against every flood, including the rare 100- or 200-year flood, the resulting cost would be astronomical.

Here we have a situation in which the people who live in the area and who would be affected say they do not need the kind of flood control proposed. They do not want it. Those are the people who would be protected if anyone would be. They point out that in this area the real flood damage would be 250 miles from the damsite. Therefore, the prevention of flooding would be insignificant.

This suggests that we should use reason in determining the extent to which we depend on the containment policy of flood protection in the United States. Alternatives such as flood plain zoning and watershed absorption programs would go a long way to minimize flood damage for a reasonable amount.

Mr. President, recently *Look* magazine published an article entitled, "We're Talking Ourselves Into a Water Crisis." The article was written by Dr. Gilbert F. White, who is an international authority on water conservation, and a professor of geography at the University of Chicago. He serves as a water consult-

ant to the United Nations. Dr. White pointed out that the principal problem is to price water correctly.

If we price water correctly we can allocate it better. It is by using subsidies of the kind that I am discussing at such great length tonight that we create water scarcity and make water unavailable for some very valuable and necessary purposes.

I ask unanimous consent that the entire White article be printed in the *RECORD* at this point.

There being no objection, the article was ordered to be printed in the *RECORD*, as follows:

WE'RE TALKING OURSELVES INTO A WATER CRISIS

Most Americans believe a water crisis is coming. Many believe it is already here. Try proving there is no water shortage to a Chicago suburbanite who in dry years isn't allowed to water his lawn, or to a Wyoming farmer who sees his alfalfa crop burn up, or to a Texas city dweller who can't wash his car.

It is their offhand opinion that, unless we do something about it, we face a water famine. But I think we are just talking ourselves into a water shortage. I believe there is more than enough water to go around for our growing country. We just have to use it more wisely.

Water, aside from air, is our most abundant natural resource—and a practically indestructible one at that. You can turn water into ice or steam, and you send it off downstream to a place thousands of miles away. But, sooner or later, it comes back to be used again. If only that were true of coal, petroleum, or natural gas.

In the United States as a whole, about 30 inches of precipitation—1,564,800 billion gallons—fall on our land areas every year. The Great Lakes hold enough water to cover our land over 6 feet deep. An immensely greater amount is stored underground.

In view of our generous supply, it seems illogical to argue that our water problems should be solved by the vastly more expensive means of getting fresh water from the salty oceans. So far, no breakthrough is in sight for reducing the high cost of salt-water conversion. And there still remains the extra cost of carrying the converted water from the sea through expensive pipelines and pumping stations.

The cheapest method of converting salt water still costs 200 times more than many farmers and ranchers now pay for irrigation. It cost at least \$400 to produce an acre-foot of fresh water by conversion. That is 325,851 gallons, or the amount it takes to cover an acre of land a foot deep. Many farmers now pay only \$2 per acre-foot. Chicagoans and New Yorkers pay about \$70 for the same amount, delivered to the kitchen sink.

PUMPING IS EXPENSIVE

Ocean-water conversion plants must pump their product uphill from sea level to the user, an expensive procedure. A more promising location for desalting plants would be inland, where gravity carries the water downhill from mountain watersheds. In irrigated areas, where the water goes in and out of the soil a number of times in its descent, it may become useless to agriculture because it has picked up too high a concentration of salts from the ground.

In some cases, desalting is justified at today's high prices. It is cheaper for ships to desalt seawater, for example, than to carry tons of fresh water on long voyages. And in some dry places—such as oil-rich Kuwait on the Persian Gulf—the reasons for living in arid surroundings are so compelling that the high cost of conversion can be ignored.

Some good may come from the desire to get fresh water from the sea. It may yet convince us that water is worth money. Industry, farmers, and city dwellers alike seem to feel they have a divine right to an unlimited amount of inexpensive water. This expectation produces pressures on Government to find or bring in more and more water to keep us going with our terribly wasteful practices. All this may help to produce the very water shortage we fear.

Many planners operate on the theory that we must get ready for heavily increased water needs in the 1970's and 1980's. Their predictions are based on the dangerous assumption that we can ignore water-saving methods and incur heavy costs to provide more water at low prices to the consumer.

Every day, we Americans use more than 300 billion gallons of water. Agriculture draws most of this amount—175 billion gallons—and much of it is wasted. The canals and ditches that carry irrigation water to some farms and ranches are very inefficient. Seepage through the unlined sides and bottoms of the ditches loses up to half of the water. Unneeded shrubs and trees growing alongside the ditches cost us 20 to 25 million acre-feet of water annually in the 17 Western States, or about half as much again as the annual flow of the Colorado River.

We seem willing to undertake expensive research programs on salt water conversion, but are unwilling to spend smaller sums to find new ways to line irrigation ditches or to cut down the loss of water, through evaporation, from our storage lakes and reservoirs. Evaporation takes a high toll of our water. Researchers found that Lake Hefner in Oklahoma City, for example, loses an amount equal to about 90 percent of its outflow because of evaporation. Lake Mead, back of Hoover Dam on the Arizona-Nevada border, loses 800,000 acre-feet per year.

Scientists have developed a way to retard evaporation, under favorable conditions, by covering lakes with a microscopically thin covering, such as cetyl alcohol. This is costly, but a lot less costly than converting seawater and carrying it far inland, and it deserves to be improved by research. Evaporation and storage costs can be cut by other methods. Natural gas is now stored underground, for example, in nature-made "gas tanks" of porous rock formations. Storage water could also be fed into suitable rock and thus kept from evaporating.

ENGINEERS CAN BE WRONG

Using "the big engineering approach" does not always cure water problems. Sometimes, the human approach and reeducation are more useful. The Aswan Dam on Egypt's upper Nile River is an example of the engineering approach. The new dam will provide water to allow cultivation of land desperately needed to feed a growing and hungry population. Yet, in the Nile delta, far downstream, there is too much water, and the poorly drained farmland waste crops. The planners there find it much easier to deal with a single contractor and get him to build a big dam upstream than to go downstream and change the age-old farming practices of some 10,000 peasants who have too much water on their land.

Our own country is guilty of wasteful irrigation. Many farmers in States such as California, Texas, and Colorado often use too much water. The water rights granted them may permit diversion of 5 acre-feet of water to their land. Even though their crops might need only 2 feet, they still divert the entire 5 feet. One of the reasons for such waste is their fear that they may lose the rights to some of the water if they don't use all of it.

Industrial users are also water-wasters, and some of them keep up a constant pressure on Government for more and more water, thus contributing to the water crisis.

My geographic studies lead me to doubt very much that industry really considers water to be the key factor in locating most new plants or in keeping established factories going. There are many more important considerations—raw materials, labor, markets, and transportation—than the mere availability of unlimited water.

UNLIMITED SUPPLIES NOT NEEDED

Industry can adapt very well, actually, to using less than an unlimited supply of water. For example, a steel mill in southern California, where water is scarce and relatively expensive, uses only 1,400 gallons of water to make a ton of steel. However, a steel plant on the Delaware River, in Pennsylvania, where water is fairly cheap and plentiful, uses about 37,000 gallons to make the same amount.

In Illinois during World War II, the booming war industries produced vastly increased amounts of goods, but hardly increased their water use. The reason: Expanding factories could not buy pipe to carry in more water because of wartime restrictions. So they did without—and very well too. One expert estimates that Illinois factories could double their present production and not boost water use by 1 gallon. Factories elsewhere can probably do the same.

The cost of water to industry is a very small part of production costs, so small that industry doesn't worry too much about using more and more water. Surveys show that nearly two-thirds of the 33 billion gallons of water used daily by industry are employed for cooling and for flushing away waste products. Though much of this water is reused, the amount of reuse could be stepped up. Baltimore once dumped its sewage-plant waste directly into Chesapeake Bay. When a new steel plant was rebuilt in the area, the company bought the waste water and used it for cooling. We need to do more of this.

It takes higher water costs to make industry less wasteful. A Philadelphia machinery plant was faced with a \$9,000 increase in its annual \$24,000 water bill. Rather than pay the increase, the plant installed a recirculation system with evaporative cooling. This reduced its annual bill to \$15,000 and permitted it to pay for the new system in less than 2 years with the saving.

A manufacturer in Bensenville, Ill., faced with high water bills, constructed his own internal water supply. He gathered rainwater from his five acres of paved parking lots and five acres of rooftops and stored it in an artificial lagoon. He dug a well for pure drinking water. Now, he fills all of his water needs for the modest price of only 1½ cents per 1,000 gallons.

I wish we could use some of the money devoted to desalting research to encourage more efficient water utilization by industry. It is fascinating to speculate, for instance, as to how one plant can make a ton of steel with only 900 gallons of water, and another plant takes as much as 66,000 gallons. Why does one factory need only 780 gallons of water to make a ton of sulfuric acid, and another requires 7,240 gallons? Why should one papermill use 4,860 gallons for a ton of woodpulp, and another 60,820 gallons? How can some petroleum refineries do so well, reusing the same water 25 times before discharging it?

BARGAIN RATES ARE WASTEFUL

Householders also waste water. In many cities, water departments offer bargain rates to the larger users. Thus, the big user is encouraged to fill his swimming pool with cheap water and to keep his sprinklers running. A different rate structure might encourage conservation. So would wider installation of water meters to make the customer pay for what he actually uses.

The demand for water to dilute the growing load of wastes in rivers and streams is

expected to grow rapidly in the next 40 years. Yet it may be a lot cheaper to filter out wastes before dumping them in the streams.

The danger of placing all our hopes on engineering answers is shown by our experience with floods. Since 1936, we have spent \$5 billion on a program of levees, channel improvements and reservoirs to control floods. Yet, during that time, the annual toll of flood losses has not gone down. While some cities have been protected, people have been settling in hazard areas in other places. Different measures, such as discouraging the building of houses along stream channels, are needed in addition to flood control engineering.

Desalting is essential in a few areas, and it remains important to build some large dams and canals. However, more research on the basic characteristics of water and on ways to make better use of existing water will yield a greater payoff per dollar.

None of my ideas for saving water is glamorous, when compared with the engineering miracle of converting salt water to fresh water. But they are a lot cheaper and more practical, and may save us from the water crisis we will otherwise bring about.

Mr. PROXMIRE. Mr. President, recently Melvin E. Scheidt, program adviser, Division of Water Supply and Pollution Control, U.S. Public Health Service, wrote an article entitled "The Government's Responsibility for Clean Waters." I should like to quote briefly from one part of the article, as follows:

Within the whole of continental United States, only about 650 billion gallons of water per day can probably be considered economically capturable, out of the average daily total of some 1,250 billion gallons which runs off in our streams. On the other hand, water withdrawn from our streams, lakes, and ground water sources for all purposes, including irrigation and cooling as well as municipal and industrial supplies, already amounts to nearly 300 billion gallons per day. Rough estimates of overall demand suggest that this requirement will rise to about 600 billion gallons daily by 1980, and may well reach close to twice the national supply by the year 2000. Coupled with this situation is the further fact that water is very unevenly distributed throughout the nation, and some areas are already in the situation that the whole Nation will be a few decades hence.

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Even in the case of irrigation, where most of the water withdrawn is actually consumed through evaporation or transpiration, a certain amount finds its way back into the stream through return flow seepage, carrying with it concentrations of minerals leached from the soil or remaining after the evaporation.

Thus, I suggest that, because of the nature of its use, most withdrawn water should really be looked upon as a vehicle rented from the public to provide a transportation service, following which the vehicle is returned to the owner for further use by the next renter downstream or by the owner himself, for his own purposes. But to be reusable water must be of satisfactory quality for the purpose intended. Therefore, I submit that, just as with any other rented vehicle, where the material transported is normally removed before the vehicle is returned to its owner, each water user bears an obligation to remove as much of his wastes as possible from the water he has rented from the public, before he returns it for further use.

I ask unanimous consent that the entire article be printed in the *Record* at this point.

There being no objection, the article was ordered to be printed in the *Record*, as follows:

GOVERNMENT'S RESPONSIBILITY FOR CLEAN WATERS

(By Melvin E. Scheidt)

Within the whole of continental United States, only about 650 billion gallons of water per day can probably be considered economically capturable, out of the average daily total of some 1,250 billion gallons which runs off in our streams. On the other hand, water withdrawn from our streams, lakes, and ground-water sources for all purposes, including irrigation and cooling as well as municipal and industrial supplies, already amounts to nearly 300 billion gallons per day. Rough estimates of overall demand suggest that this requirement will rise to about 600 billion gallons daily by 1980, and may well reach close to twice the national supply by the year 2000. Coupled with this situation is the further fact that water is very unevenly distributed throughout the Nation, and some areas are already in the situation that the whole Nation will be a few decades hence.

Now these figures do not, of course, necessarily mean that we shall presently run out of water. Water can be, and to a substantial extent already is being, used over and over again as it flows from its source to the sea. Whether we shall be able as, a general practice, to reuse our limited supply will ultimately depend, however, upon our ability to insure that this water will, wherever needed, be of suitable quality for such reuse.

Thus we have to examine the conditions under which water is withdrawn for use. The streams, lakes and underground aquifers, which are the sources of our supply are generally considered to lie within the public domain, and the withdrawal of water from these sources is usually subject to public, that is, State regulation. However, with the exception of irrigation usage, little of the water so withdrawn is ever actually consumed. Almost all of it is used as a solvent, cleanser, or coolant, to carry away dirt, grime, wastes, or heat, following which, because there is nowhere else to dispose of it, it is discharged to some stream or other water body, usually with some of the transported substances left in it. In other words, the used water is returned to its owner, that is, the public.

Even in the case of irrigation, where most of the water withdrawn is actually consumed through evaporation or transpiration, a certain amount finds its way back into the stream through return flow seepage, carrying with it concentrations of minerals leached from the soil or remaining after evaporation.

Thus, I suggest that, because of the nature of its use, most withdrawn water should really be looked upon as a vehicle rented from the public to provide a transportation service, following which the vehicle is returned to the owner for further use by the next renter downstream or by the owner himself, for his own purposes. But to be reusable water must be of satisfactory quality for the purpose intended. Therefore, I submit that, just as with any other rented vehicle, where the material transported is normally removed before the vehicle is returned to its owner, each water user bears an obligation to remove as much of his wastes as possible from the water he has rented from the public, before he returns it for further use.

This need to insure that the water available for reuse be of satisfactory quality applies not only to those downstream uses involving the withdrawal of water from the stream, but also to those instream uses which are enjoyed by the owner, that is, the public at large. Fishing, boating and other water

oriented recreational pursuits, which, as you heard earlier, are all becoming of such great importance in our nation today, are all dependent upon the availability in the stream of water of good quality. The beneficial environmental influences of streams and other water bodies upon abutting properties and neighborhoods, and the enjoyment of the stream banks for more passive pursuits, such as picknicking or camping, also depend upon the preservation of the quality of the water in streams. In planning for and managing water use, therefore, it is essential to keep in mind that the same stream which receives our waste waters must also serve as a source of water supply for other users or as an essential recreational medium or environmental influences of increasing importance to the public at large.

Mr. PROXMIRE. Mr. President, one of the outstanding authors in the country on natural resources is the great conservation writer for the Milwaukee Journal of Milwaukee, Wis. In an excellent publication entitled "Our Growing Water Problems," Russ Lynch has written, for the National Wildlife Federation, a splendid article. I should like to quote excerpts from that article. Mr. Lynch says:

The most important use of water, except for drinking, is for waste disposal. It is a natural use. The civilization we know could not exist without streams to carry away man's wastes. Yet this use generally gets only incidental consideration when water use legislation is proposed. The model act is an exception.

In extensive correspondence which preceded this writing, more anxiety was expressed by fish and game personnel over pollution than about water use legislation; and sanitary engineers were concerned about having adequate flow, along with waste treatment, to maintain "living" streams.

The volume of flow and the content of dissolved oxygen determine the capacity of a stream to handle wastes. Organisms which dispose of pollution use oxygen; the polluting "load" determines the amount of oxygen needed. This is called "the biochemical demand."

Inorganic substances are merely diluted and carried away. If the flow is insufficient, these things tend to accumulate and may become toxic or otherwise decrease the usefulness of the water.

Stream flows once were adequate to handle the Nation's untreated wastes without significant damage to other water users. As the population grew, we had to turn to the septic tank, then to primary treatment and finally to complete treatment, often with chlorination.

Streamflow depletion by consumptive users can only aggravate a problem already so enormous that the Nation can hardly cope with it. In 1920, municipal and organic industrial wastes discharged into our streams were equivalent to untreated sewage from 90 million people. Despite construction of \$7 billion worth of municipal sewage treatment plants in the meantime and a great deal of progress in treating industrial wastes, the load in 1955 was equal to untreated sewage from 165 million people, an increase of more than 80 percent. (Municipal pollution up 37½ percent; industrial, 120 percent). In addition, there is a tremendous inorganic load.

Wisconsin has had a good pollution law since 1927, a full-time director and staff since 1950. In 1930, treatment removed 531,000 pounds of polluting material (biochemical demand) from the State's waters; in 1954, treatment removed 1,410,000 pounds. But in the same period, the potential load increased from 1,540,000 pounds to 2,351,000.

A quarter-century of attention to pollution had resulted in only 67,000 pounds less polluting material, a net reduction of but 7 percent.

In May 1958 Dr. L. E. Burney, Surgeon General of the Public Health Service, told the Purdue Industrial Waste Conference:

"As population and industries continue to close the gaps between major sources of pollution along our rivers, we can look forward to nothing less than continuous streams of sewage and industrial waste instead of streams of usable water. * * * In many cases the natural streams just won't be able to absorb increased pollution."

Dr. Burney said that irrigation accounted for three-fourths of the actual consumptive use of water today and had "significant deteriorating effects on water quality." He went on:

"Up to now large scale irrigation has been confined to our Western States; but supplemental irrigation practices in the East have increased and are destined to play an even more important part in agricultural development east of the Mississippi.

"Since we already have intense competition for available water resources in the East, it seems to me that we should have a great deal more information than we have on the problem."

Professor Ruttan of Purdue University's department of agricultural economics is conducting a study of national requirements for agricultural water, projected to 1980 under various patterns that agriculture may follow.

Depletion and impoundment of streams already have become factors in pollution. In the West, under prior appropriation water rights, entire streams are diverted for irrigation. Spills and seepage often are the only water remaining. In arid parts, such as Arizona, sewage plant effluents are not discharged to streams but, as at Phoenix, are diluted with water to irrigate forage crops.

Farmington, largest city of western New Mexico, is faced with the same prospect. The San Juan River, which now carries away the city's sewage effluent, is to be dammed by the reclamation bureau and the Indian service and there probably will be no flow except what returns from irrigation and domestic sewage. Although Farmington has complete sewage treatment, it cannot run the effluent into a dry river bed without nuisance and damage to downstream water supplies.

Who should pay for the additional expense of other disposal? The Farmington taxpayers?

Topeka, Kans., is another city with a potential pollution problem arising from irrigation. The Kansas River development plan of the Reclamation Bureau indicates an eventual flow about 20 percent of the time, of less than 500 cubic feet a second.

The Kansas River is in the area of the Glen Elder project.

The State board of health say that Topeka needs 1,000 cubic feet per section to maintain chemical quality and supply future municipal and industrial needs, even assuming adequate treatment of all wastes.

Pollution problems have arisen from regulation of the Missouri River's flow which raise questions that must be considered in the development of any river which must carry quantities of waste.

Turbidity was greatly reduced below the Garrison, Fort Randall, and Gavins Point Dams.

This is in the same Missouri River Basin as the Glen Elder project.

Algae grew in masses. Health authorities asked for an investigation in 1952. Taste and odor problems began to arise in 1953; Yankton, S. Dak., had a plankton nuisance. Deterioration of water quality was detected

all the way to Kansas City, 550 miles below the nearest reservoir.

"The full effect of storage and river regulation on bacterial quality is yet to be determined," the Missouri Basin Inter-Agency Committee was told in November 1957, by Dwight F. Metzler, chief engineer of the Kansas State Board of Health. "But large releases for navigation during the warm months have not given the benefit in reduced bacterial content which might have been expected. Increased velocity offset increased dilution by reducing the flow time and the die-away of fecal organisms."

Adequate sewage treatment, Metzler added, was the only feasible way to keep the bacterial content within safe limits.

The Missouri receives the raw or inadequately treated sewage and waste of 700 communities and 250 industries, besides the effluent of those with adequate treatment plants.

The Missouri River is the ultimate destination of the waters which are flowing in this instance. That is why I am arguing so fervently that there are other, better uses than irrigation for the \$60 million involved.

Here the shoe is on the other foot. Should irrigators be deprived of water for the benefit of municipalities which will not spend money for treatment plants?

Certainly when irrigators do not want the water, where they oppose the water—in this instance, 90 percent have petitioned me against it—where they do not want the water and will not use it or develop it, they are not deprived when the water is reserved and employed for the benefit of industries and municipalities which can use it.

The West is apt to have more problems due to depletion of streams as population increases and sewage and industrial wastes increase with it. Meanwhile, in the East where cities and villages line many streams, the increase of supplemental irrigation is creating disposal difficulties.

The Wisconsin State Water Pollution Committee has intervened in four cases where applications for irrigation withdrawals threatened to leave inadequate dilution for urban sewage plants.

Farmers in the East pump from small creeks which have little flow in hot months. A study of the Muscatuck River Basin, reported by the Indiana Water Study Committee in 1956, gives an idea of how little pumping many streams can take. The main stem and tributaries comprise 18 watersheds. At 10 gage points, there was no flow at times in most years. Six farmers, irrigating one acre apiece at the rate of an inch per hour, would pump a 6-cubic-foot-per-second flow absolutely dry—in fact, their pumps could not suck enough water out of such a creek.

To sprinkle 12 acres at the rate of half an inch per hour would take all of a 6-cubic-foot-per-second flow.

Southern and Southeastern States have heavy annual precipitation but also great fluctuation in streamflow. Average streamflow indicates impoundment possibilities but is meaningless as a basis for diversion. The Pearl River, for instance, at Jackson, Miss., has an average flow of about 2,460 million gallons daily, a minimum flow of only 49 million.

In the southeast region, Lewis A. Young, Atlanta, Ga., handles water supply and water pollution control activities for the U.S. Public Health Service, as assistant regional engineer. He believes that it is impossible to separate water quality from water quantity in the development of water resources.

"An attempt to pass legislation which was drafted with one particular water use in mind and limited to water quantity has been tried in most of the States in this area," he told this reporter. "Such legislation, I feel, would do more to damage the development of a satisfactory water resource program than it would to help."

"The south has been extremely fortunate, in particular, by delayed industrial development, so that most of its streams have not been damaged to any great extent by pollution. There is a need, however, to hold this ground and plan so that pollution will not destroy this most valuable resource."

The temperature of water also is important. Dissolved oxygen content decreases as water becomes warm.

Some years ago, the public health service concluded that there was no known method of controlling gross pollution of the Mahoning River in the Ohio steel district because use by 13 industrial plants heated the water to a mean temperature of 108 degrees for the whole month of July and the flow fell below 50 cubic feet per second for long periods. The city water of Warren, Ohio, had 20 times the maximum "safe" bacterial count.

Since then reservoirs have been built to augment the flow. After the fourth of them was put into use a couple of years ago, the Mahoning's volume became sufficient for pollution control, although the July mean temperature still was 98.

Hydroelectric dams create pollution problems. The turbines run at times of peak power demand and little or no water is released at other times. This may be in direct conflict with downstream needs.

In deep reservoirs, water becomes dense and deficient in oxygen at the cold, lower levels. Turbines usually draw from the low levels and the water, sometimes almost devoid of dissolved oxygen, is useless for waste disposal downstream. This "density current" may pass through lower reservoirs without mixing or aeration. Exposure to air and turbulence in a stream will restore the oxygen content.

The Tennessee Valley Authority has this condition, but in the few cases where a potential pollution problem exists the high volumes of flow for power generation have prevented its development. TVA is making studies which, within 2 years, are expected to make possible quantitative predictions of the re-aeration capacity of any river channel.

On the Roanoke River in North Carolina, a plant has installed a curtain wall behind its dam so the turbines will draw warmer water over it from upper levels.

Even shallower reservoirs can create problems, particularly where there is a succession of pools and a high biochemical oxygen demand, as on paper mill rivers. Plants on three Wisconsin rivers are testing a German method of sucking air into power turbines by means of vent tubes. Results have been so promising that the idea may have national application. There is a power loss. German experimenters have found that the method is most efficient when turbines are modified before installation.

But pulp and papermakers seem willing to bear the small power loss. This industry, one of the worst polluters of streams, has cut the pollution load per ton of product in half by the expenditure of \$85 million for treatment facilities in the last decade.

Such efforts by industries are of the utmost importance. Thousands of new chemicals are being discharged to streams. Some are detrimental to aquatic life or objectionable in drinking water or may be deadly to plants if used for irrigation.

"Our streams have become giant test tubes for what is taking place," Mark D. Hollis, chief sanitary engineer of the Nation, has said. "Chemicals react on one another.

Two parts per million of copper will not hurt fish, nor eight parts of zinc; but if you combine as little as one-tenth of those amounts of copper and zinc you kill all of the fish in the stream."

The Nation a few years ago cleansed itself chiefly with soap. Now 2½ billion pounds of detergents are sold annually for household use. They prevent the settling of organic matter in sewage treatment plants. They foam up and overflow into streams or are discharged directly, without treatment and create problems for downstream water plants. The foam blows off sewage vats and sometimes scatters dangerous bacteria.

Effluents of sewage treatment plants are high in nutrients which can completely upset the biological balance of streams. Shallow lakes may be so fortified with available nitrogen that growth will turn a lake into a peat bog in a few generations, particularly where there is a long growing season, as in the South.

The national technical task committee on industrial wastes has been at work for 7 years. The Ohio Valley Sanitary Commission has advisory committees of the steel, coal, oil, chemical and metal finishing industries studying their peculiar problems. The Association of American Soap and Glycerin Producers has research projects. The Wisconsin Cannery Association got a conservation award in 1956 for its efforts. Vermont is sponsoring experiments with whey disposal to keep cheese factories from polluting streams.

The Public Health Service has estimated that it will cost \$9 to \$12 billion to rid the Nation's streams of pollution and billions more to keep them unpolluted; that 8,000 sewage disposal plants and 9,000 other plants, chiefly for industrial wastes, are needed.

Mr. President, here is a sensible way for the Federal Government to spend \$60 million, if the Government wishes to spend that amount. This is a way that is definitely needed, and is directly related to the health of the Nation, and can make an enormous difference in terms of providing healthy communities and jobs. And it is a way—as is indicated in the article—which in Kansas can be most beneficial in the area in which the Glen Elder Dam is proposed to be located. Instead of providing an irrigation project for the purpose of bringing into production \$1 million more of feed grains, which would go directly into surplus, why in the world does not the Government spend some of that money for pollution control, to provide a healthier life for our people? And if it is desired to spend the total amount of the money in Kansas, let it be spent there, provided it is used for so worthwhile a purpose. I am confident that if the Federal Government put a little of the available brainpower to work in determining precisely how such a project could be developed in Kansas, it would be found that the benefits, in terms of lives saved and years added to lives, would be very great, indeed.

I read further from the pamphlet:

Eight States have been cleaning up the Ohio basin since 1948 and seven others are laboring to cleanse New England streams. Under the Blatnik act—

Sponsored by the distinguished Member of the House of Representatives from northern Minnesota—

offering Federal grants in aid, 800 municipalities undertook construction of plants in

1957—one-tenth of the 8,000 fixed as the total need.

All of these efforts to reduce pollution are based on present volumes of streams. They can be nullified by reduction of flow.

Yet it remained for a representative of industry—the American Cyanamid Co.—to get up at a model water law conference in September 1957, at Ann Arbor, Mich., and criticize the third draft of the proposed act because it would permit pollution without effective controls.

Every State, he argued, should have a law that no new pollution would be recognized or permitted.

ANALYSIS OF FINANCIAL SUBSIDY TO GLEN ELDER

Mr. President, the extent of the subsidy to the farmer and the additional forgotten cost to the Government as the result of the interest-free nature of the irrigation-cost allocation have already been mentioned. These are not small items, since \$17 million over a 100-year period is involved. The \$4 million which is to be repaid by the farmer over 60 years results in a subsidy of an additional \$4 million because that is the interest on this amount. Incidentally, it is calculated on the diminishing balance. The \$13 million over the 100-year period, would result in a subsidy of \$52 million, over 100 years, at 4 percent interest.

The reason why that would be such a large subsidy is that there would be no diminishing balance at all, because not 1 penny of it would be paid until the 100 years was up, and therefore the calculation shows that the subsidy comes to \$52 million.

Thus, \$17 million would only be the start or bare minimum of the cost of the irrigation portion of the Glen Elder project. I stress the irrigation portion; but the additional cost of borrowing money from the Federal Treasury would be as much a cost as would be the cost of the concrete. It makes no sense to ignore that cost.

If the subsequent cost resulting from the interest-free nature of this irrigation cost allocation were included, the real total costs of the irrigation portion of the Glen Elder project could run as high as \$73 million.

I am not talking about the costs of the rest of the project. I am talking only about the costs of the flood-control part of the project—the \$43 million part—and only of the costs of the irrigation part of the project; and I say that on this base, the cost would run as high as \$73 million.

These higher estimates of cost would, of course, be much beyond the ability of the irrigating farmers to repay. It would even be beyond the ability of the irrigating farmers to repay the lowest cost estimate of \$17 million. As we have seen, the Bureau of Reclamation has estimated that the farmers are able to stand a water charge of only \$8.50 per year per acre. After the annual operating and maintenance was taken out of the \$8.50, only \$4.88 would be left as a contribution to the \$819 construction cost per acre. The \$4.88 would be enough to repay only about \$200 over the amortization period allowed to the irrigating water users. The other \$600 would have to be repaid by the Missouri River Basin power users after their

power rate payments had been adequate to repay the total costs of power projects in the Missouri River Basin—although, as I have said many times, of course they would get no benefit from it. That would occur sometime in the year 2040, unless more projects were built, which would be quite likely, in which case it will occur later.

Thus, there would be no possibility whatsoever that the farmers on the 21,000 newly irrigated acres would be able to repay the total costs of the irrigation part of the project. The only way that they would be able to satisfy even the present lax standards of financial feasibility would be for the revenue from the power projects in other parts of the Missouri Basin to be allocated to the repayment of the \$17 million. Thus, there would be subsidies from taxpayers all over the country; and there would be specific subsidies, and large subsidies, with no benefits, from the power users in the Missouri River Basin.

BESIDES NOT BEING ECONOMICALLY JUSTIFIED,
THE GLEN ELDER PROJECT IS NOT FINANCIALLY
FEASIBLE

We have just seen that if certain commonsense adjustments are made in the benefit-cost analysis used by the Bureau of Reclamation, this project ceases to be economically justified. But this argument in itself does not establish that the project is not financially feasible. Economic justification and financial feasibility do not have to go together. A project may be economically justified, but not financially justified; or it may be financially feasible, but not economically justified. This situation results from the way benefits and costs are treated in economic-justification determinations and in determinations of repayment responsibilities. Both direct and indirect benefits, regardless of who gets them are included in the benefit-cost ratio, even though the benefits may be of such a nature as to preclude reimbursement to the Government of any of the benefits accruing to the region or the individual.

Of course this means that simply because a project has a favorable benefit-cost ratio of 1 to 1, or a benefit-cost ratio which exceeds 1, the Government will not be repaid for the cost. Indeed, under the present rule, no project will come close to repaying the cost; and the general taxpayers will be out a large part of the cost; and I shall show that in this case they would be out a tremendously large part of the total cost.

Flood control and recreation benefits are not reimbursable; thus, they do not enter into the determination of financial feasibility, even though they enter into the determination of economic worth of the project. When the benefits to private parties are not recoverable in any way by the Government, the costs related to those benefits are considered as non-reimbursable. Thus, the costs related to the flood-control part of the project are not reimbursable.

But the costs related to power and irrigation are reimbursable, because it is possible for the Government to recover part of the power and irrigation benefits from the beneficiaries of the project's

power and irrigation features. Since the Glen Elder would have no power features—not a kilowatt, not a bit—the only reimbursable costs would be the cost related to the irrigation part of the project. According to the Bureau of Reclamation, the Glen Elder project is financially feasible if the costs allocated to the irrigation features of the project could be recovered. Since \$17 million out of the total \$60 million cost of the project was allocated to irrigation, this is the amount that has to be recovered in order to make the project feasible. The rest of the \$60 million does not have to be recovered or reimbursed in any way, except for a small part for the municipal water system.

The following table shows, among other relationships, the apportioning of costs between the contributors, on both an aggregate and a per acre basis. I ask unanimous consent to have the table printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TABLE 4.—Aggregate and per acre costs of the Glen Elder irrigation project with and without imputed interest

	Aggregate	Per acre
	Thou- sands	
Cost without interest:		
Total construction cost.....	\$17,000	\$810
Amount repaid by irrigators.....	4,000	191
Amount repaid by power users.....	13,000	619
Different estimates of related interest cost: (4-percent interest rate in all cases):		
Total over the years:		
50 years×\$80,000 (average).....	\$4,000	
100 years×\$520,000.....	52,000	
Total.....	56,000	2,700
Present discounted value of interest:		
2.5-percent discount factor:		
\$80,000 for 50 years.....	2,269	
\$520,000 for 100 years.....	19,039	
Total.....	21,308	1,010
4-percent factor:		
\$80,000 for 50 years.....	1,580	
\$520,000 for 100 years.....	12,742	
Total.....	14,322	682
Total cost:		
Present construction cost plus present discounted value of imputed interest:		
2.5-percent discount factor.....		1,810
4-percent discount factor.....		1,492

Mr. PROXMIRE. As indicated before, the remainder of the \$17 million which is beyond the repayment capacity of the irrigating farmer is going to be paid by the power users in Missouri River Basin. While it may be over 100 years before this part of the \$17 million is reimbursed to the Government, it will be eventually repaid, according to present anticipations and projections, thus fulfilling the requirements of financial feasibility. It is thus important to realize that the financial feasibility standards of irrigation project evaluation can be satisfied even though the irrigating farmers do not and cannot repay even a small part of the project cost which is allocated to them, and even though this amount is interest free to the farmers. The money is, of course, not interest free to the Government, and this has to be paid by other taxpayers.

Mr. President, a very distinguished scholar of the University of Chicago, Office of Agricultural Economics Research, Donald S. Green, has written a monograph on the subject of Federal irrigation subsidy, to show the financial history of Federal irrigation projects and, in particular, to measure the extent to which subsidization has occurred.

Return of Federal irrigation investment takes the form of repayment contracts under which irrigators incur an obligation to repay a certain part of the cost of construction. The contracts stipulate the amount and number of yearly payments. For purposes of this analysis, the repayment contract represents a loan, the yearly payments paying off a certain principal with interest. The principal equals the discounted value of the receipts. The subsidy is equal to the difference between cost and principal repaid by irrigators.

In the financial analysis section of the Bureau of Reclamation's project planning reports, the subsidy does not appear in this form. The information presented there states the amount repaid without interest, leaving the interest subsidy implicit and unquantified.

When power revenues are used to repay a part of irrigation costs without interest, the interest part of this subsidy to irrigation is similarly left unquantified. The interest subsidy granted amounts to well over half of the cost of construction in most projects. On this project it is three-fourths to seven-eighths of the cost. The total subsidy, including interest, power revenues and irrigation costs not obligated for repayment, amounts to 90 percent of cost in several large projects. I think it amounts to at least 90 percent in this case.

It is nothing new to state that irrigation is heavily subsidized. The Bureau of the Budget, the House Committee on Interior and Insular Affairs, Raymond Moley, and several Congressmen, in attempting to make explicit the nature and extent of subsidization, described and accounted for the interest subsidy in several different ways. The Bureau of the Budget has noted the yearly interest cost unpaid throughout the period of repayment, stating the subsidy as so many dollars per year. Moley and others have calculated the amount of unpaid interest accrued at the time when repayment ends. Congressman ENGLE—he is now Senator ENGLE, of California—noted the rate of interest actually paid if yearly repayments were viewed as a percent of irrigation cost, finding in the case of the upper Colorado River storage project that it would amount to one-fifth of 1 percent, the principal itself left unpaid.

These various ways of measuring and expressing the interest subsidy are revealing. They have the disadvantage, however, of not being commensurable with the cost of construction since they are not expressed in totals in the year of construction. The method of discounting receipts suggested above has the advantage of making costs and returns directly comparable so that the subsidy may be expressed as a percent of cost. In this way the Federal aid to irrigation may be seen most simply and

clearly: the project may be evaluated by comparing nationally borne costs with national benefits. The time pattern in which the Government bears the subsidy depends on whether the construction outlay is financed by current income—taxes—or borrowed funds—Government debt—and future taxes; this, of course, is indeterminant with respect to any particular expenditure. It does not matter for purposes of evaluating and comparing projects.

In the discussion pursued by Moley and in congressional hearings, special emphasis has been placed on the interest cost of general Government debt to point out the nature of the interest-free subsidy to irrigation, using long-term Government borrowing rates of $2\frac{1}{2}$ percent and 3 percent in computing either annual interest charges borne by the Government in connection with irrigation, or in arriving at the amount of accrued interest at the end of the repayment period. Clearly there is no connection between Government debt and the subsidy granted to irrigation by making repayment interest free.

The appropriate interest rates to use in discounting receipts—for computing yearly or accrued unpaid interest—is determined by conditions affecting power and irrigation repayments, which are completely independent of conditions determining interest rates of Government bonds. Most simply, there is a greater risk involved with the former.

Stated in another way, the interest rate at which the Government may borrow has no special relation to the rate at which it might lend to any particular party or for any particular purpose. The relevant rate to use in computing the interest subsidy is not the cost of funds to the Government, but rather a rate appropriate to the nature of the borrowers—credit risk. In the case of irrigation receipts, farm mortgage rates provide a guidemark, though different projects have different risk situations, depending on the type crop, farmers existing financial position, and so forth. In the case of power receipts, while there is no borrowing actually taking place, there is an element of uncertainty associated with future revenues that is not coincident with a Government-debt obligation. Viewing the future power receipts as an asset that may be purchased for a price, the question is at what rate would the future revenues be discounted. The amount of power revenues far in the future are not as definite as return on Government debt, so a rate above long-term Government debt would be appropriate.

The suggested method of presentation has the further advantage of placing emphasis on the nature of the risk involved which would lead to selection of appropriate rates.

Once having arrived at the total subsidy by discounting irrigation receipts at an appropriate rate, the way in which this amount is financed is a separate matter of Government policy. In particular, as noted earlier, the importance of a continuing tax burden to repay borrowed funds is irrelevant. The subsidy appears in the form of interest not

charged on irrigation investment, power revenues, and costs not obligated for repayment. The interest and nonrepayable subsidies are clearly a grant from the Government. The outlay for construction might either be borne out of current tax receipts or borrowed funds, to be repaid in the future out of taxes. The power revenues applied to repayment of irrigation cost are also a Federal subsidy, and is not borne by power users. Power rates are set on the basis of cost of production and existing competitive rates, and do not reflect any payment for irrigation; that is, the rates are no higher because of irrigation repayment.

The existence of a special reclamation fund presents some bookkeeping complications that confuse the issue. All project revenues accrue to this fund, including interest payments on power investment. Outlays for project construction come in part from this fund and in part from the general fund. Revenues accruing to the reclamation fund are earmarked for future reclamation activity and are not available for general appropriations. Power revenues are one source of Government income, and as such may be seen as a subsidy borne by the Government. The significance of earmarking power revenues and using them for an irrigation subsidy arises from the fact that irrigation development may be carried further than would be the case if power revenues were not available for subsidization. A demonstration of feasibility is required of all reclamation projects, whereby all reimbursable costs are shown to be repaid, including interest on power investment. Power revenues in excess of repayment of power costs and interest within a certain period of time are used to show feasibility of a multiple-purpose project, where irrigation by itself is clearly infeasible.

One additional clarification is needed in discussing the power subsidy.

A device known as the interest component of power revenues was introduced by which the yearly interest payments on power investment were used to repay irrigation costs. This plan is now under study by the Government. This too is

merely a bookkeeping device, whereby power revenues appear to do double duty, paying two things at once—an obvious case of confused double counting. Compared to the "excess power revenue" plan, the interest component provides a means of obtaining still further subsidization of irrigation. Its significance also lies in the expanded irrigation made possible through a showing of feasibility.

Two sets of data are presented, one using a rate of $2\frac{1}{2}$ percent, the other using 6 percent, in discounting future receipts. This is done to show the range of subsidy depending on what rate is deemed appropriate. Two and one-half percent approximates a riskless long-term commitment. Historical receipts have been discounted at $2\frac{1}{2}$ percent—considered a riskless alternative—since there is no risk in an ex post analysis; the actual risk is accounted for in recording defaults through cancellation of charges and extensions of contracted repayment periods.

No separate accounting was made of originally intended and subsequently granted interest subsidies via repayment period extensions. Cancellation of charges—writeoffs—are included with nonreimbursable item. It is of interest to note that the actual subsidy has been substantially greater than intended, since, as payments fell behind accruals, writeoffs or extensions have been granted. If the 6-percent rate covers actual risks, the value of repayments should, in fact, be as recorded, so there need be no further future subsidy granted; that is, actual should equal the intended amount recorded in this way.

Construction costs have been adjusted to 1947–49 dollars. Receipts have not been so adjusted for price level changes, since any additional subsidy resulting from inflation is not of the same nature as the others, resulting from overt Government policy.

Mr. President, I ask unanimous consent that a table which I have been printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Period	Cost	Percent of cost nonreimbursable	Percent of cost							
			Interest subsidy		Power		Irrigation		Total subsidy	
			$2\frac{1}{2}$	6	$2\frac{1}{2}$	6	$2\frac{1}{2}$	6	$2\frac{1}{2}$	6
	<i>Million</i>									
1900–10.....	\$47.5	4	35				25	12	75	
1911–20.....	151.0	12	38				50	25	50	
1921–30.....	262.7	8	62	78			30	14	70	86
1931–40.....	113.7	4	44	70	9	4	43	22	57	73
1941–47.....	108.8	9	47	70	7	4	37	17	63	83
1948–54.....	290.2	8	41	66	11	6	40	20	60	80
Uncompleted.....	3,834.5	0	46	71	35	19	19	110	81	90

Mr. PROXMIRE. Mr. President, the table shows that the cost of irrigation projects in progress, from 1954 on, is nearly \$4 billion. The percentage of the cost which is nonreimbursable is zero. The percentage of the cost which is a subsidy based on $2\frac{1}{2}$ percent is 46 percent, and based on 6 percent is 71 percent. The overall irrigation subsidy cost

based on $2\frac{1}{2}$ percent is 19 percent, and based on 6 percent is 110 percent.

The subsidy on the Glen Elder project, even using $2\frac{1}{2}$ percent, is far in excess of 19 percent. Our estimate is that it is in the neighborhood of 75 percent, using the $2\frac{1}{2}$ percent factor, and 90 percent using the more realistic 4 percent factor.

Mr. President, the intended interest

subsidy has increased over time as the basic—statutory—repayment period has been lengthened. In 1910 projects had a 10-year repayment period; the interest subsidy would be 20 percent of cost if all cost was born by irrigators. Now with a 50-year repayment period the interest subsidy would be 40 percent of cost repaid by irrigators—40 percent of the sum of irrigators' payments. Power revenues supply an additional subsidy, but not as large as the interest subsidy. Charge-offs have been of relatively little importance. Extensions of existing repayment contracts have been of considerable importance. The cost of irrigation far exceeds the value produced, and the Federal Government, by expanding investment in this field is continually increasing the extent of subsidization.

I ask unanimous consent that an appendix to the article may be printed in the RECORD at this point.

There being no objection, the Appendix was ordered to be printed in the RECORD, as follows:

I. FINANCIAL ANALYSIS

The following data is taken from the Columbia River Basin project; computations are approximate to serve as an example. The project was undertaken in the mid-1930's and is scheduled for completion in 1972. As of 1954, \$475 million had been invested out of an estimated total of 750 million. Of the total cost allocated to irrigation of 540 million, 227 had been invested by 1954. The irrigators are expected to repay 87 million over a 60-year period beginning in 1960. Power revenues are applied to irrigation costs in the amount of 453, beginning in 1975 for a period of 50 years:

[In millions of dollars]	
Irrigation outlay -----	\$540
Irrigation repayment contracts-----	87
Power revenues applied to irrigation--	453
Present value of irrigation contracts---	29
Present value of power revenues-----	151
Present value of construction outlay---	540

From the first set of figures, those presented in project reports, it may be seen that 87/540—18 percent—of the cost of irrigation is repaid by the irrigators without interest. From the second set of figures it may be seen that 29/540—6 percent—of the cost of irrigation is repaid by irrigators. The interest subsidy is found by subtracting the present values of the irrigation and power receipts from their sum total: 540 minus (29 plus 151), equals 360. Thus the interest subsidy is 360/540—67 percent—of the cost. The subsidy from power revenues amounts to 151/540—27 percent—of the cost of irrigation. The total subsidy amounts to 540 minus 29 (cost minus value of repayment contracts, 511); this is 511/540—94 percent—of the cost of irrigation. This is opposite side of the 6 percent mentioned above, the part of the cost repaid by irrigators.

The power and irrigation receipts were discounted at a rate of 4 percent to present values in 1954. Construction outlays were computed in the year 1954 by applying a rate of 3 percent.

II. HISTORICAL ANALYSIS OF SUBSIDY BY KIND

The following data is taken from the Uncomphagre project; computations are approximate to serve as an example. The project was undertaken in 1915 and is taken to have been completed in that year at a cost of \$6.3 million. This cost was contracted for repayment in a 20-year period, with payments beginning 7 years after construction. In 1931 a sum total of \$0.5 million had been paid, while accrued charges totaled

\$3.15 million. The repayment contract was redrawn at that time for a period of 30 years, allowing for smaller yearly charges. In 1934 additional construction amount to \$1.8 million, which was contracted for repayment within 40 years. In 1936 additional construction amount to \$0.6 million, to be repaid over a 6-year period beginning 26 years from construction date. In 1936 additional construction amounted to 0.3 million, contracted for repayment over a 50-year period. In 1948, a sum total of 0.2 million had been paid since the 1931 contract renegotiation. In 1948, \$3 million was written off and a new contract negotiated for 100 years repayment.

The following calculations are made to show the difference between intended and actual subsidy due to chargeoffs and contract extensions, and to show the yearly pattern of subsidies granted. A rate of 4 percent is used in discounting expected future receipts, a rate of 3 percent for historical receipts.

Year 1915: Cost, 6.3; present value of contracted repayment, 3.3; present value of the intended interest subsidy, 3.

Year 1931: Paid since 1922 a sum total of 0.5 million; present value of repayments, 0.6 million. Present value of the debt outstanding 5.6 million; (the recorded amount of 3.3 to be repaid, compounded to 1931, minus the present value of receipts to date). The contract redrawn at 5.8 million: (Repayment contract of 6.3 minus the amount paid thus far 0.5). Present value of redrawn contract 3.4 million. Interest subsidy granted by extension 2.2 million: (5.6 debt outstanding minus 3.4 present value of repayment expected).

Year 1934: Cost 1.8 million. Present value of repayment contract 0.9 million. Interest subsidy granted of 0.9 million.

Year 1936: Cost 0.6 million. Present value of repayment 0.1 million, interest subsidy nearly 0.5 million.

Cost 0.3 million. Present value of repayment 0.1 million, interest subsidy 0.2 million.

Year 1948: Total value of debt outstanding 8.2 million: (The recorded amounts to be repaid compounded to 1948 minus the present value of receipts to date). Chargeoff 3 million. Left outstanding 8.2 minus 3: 5.2 million. Contract redrawn at 6 million (repayment contracted minus sum total of amount paid to date). Present value of repayment contract 1 million; interest subsidy granted 4.2 million.

To show the actual subsidy granted to the project as a percent of the total construction cost analyzed from 1915, all figures are discounted to that year.

	Construction		Government cost	
	Date	1915	Date	1915
1915-----	6.3	6.3	3.0	13.0
1931-----			2.2	1.2
1934-----	1.8	.9	.9	1.4
1936-----	.6	.2	.5	1.2
1936-----	.3	.1	.2	1.1
1948-----			3.0	1.8
1948-----			4.2	1.1
Total-----		\$ 7.5		\$ 6.8

1 Interest subsidy.
2 Extension interest subsidy.
3 Chargeoff.
4 Extension.
5 Cost.
6 Subsidy.

Less than 10 percent of the cost is borne by irrigators. The intended subsidy was 3.7 million, that is the present value in 1915 of the interest subsidies granted from original contracts. The actual subsidy was 6.8, the difference of 3.1 coming from extensions and writeoff.

III. QUALIFICATIONS TO DATA

The following comments serve to qualify the data presented:

(a) The repayment contracts were assumed to repay in fact in 40 years. Where actual conditions differed considerably from this simplification, special precise computations were made. Equal annual installments were assumed. The length of repayment assumed is conservatively estimated.

(b) Grouping of the projects into decades was roughly done on the basis of construction completion, though it was not possible to date all projects exactly. The grouping serves to indicate trends. By making the analysis from the date of construction completion, discounting value to that year rather than some other, has the effect of changing total costs and repayment, but has no effect on the percentages found between cost, repayment and subsidies.

(c) The receipts were not adjusted for price level changes, for reasons noted in the paper. There would be only a minor change were receipts to have been expressed in constant 1947-49 dollars since only a relatively small portion of repayments occurred in the past.

(d) The basic data regarding costs, repayment contracts, and so forth, were taken from published data (see source below) with care and intuition, since the complex arrangements of repayment and contract alterations make the data difficult to analyze. In cases where no determinant figure could be deduced (as in the case of two cost figures of historical outlay for the same project found in different sources), a rough approximation was used.

(e) For projects not yet completed, there is a presumption for costs to exceed those estimated, since this has been the historical pattern. When this occurs, an additional subsidy is perforce granted to irrigation since repayment contracts are not easily increased except by extensions. The subsidy comes either from the interest free repayment or a greater payment by power revenues.

(f) The cost index used to adjust figures to 1947-49 dollars was a composite weighted by indexes of construction, and wholesale prices, and cost of living. The construction index was for residential housing. The adjustment to 1947-49 dollars took the following ratios:

1900 to 1910-----	2.5
1911 to 1920-----	2.0
1921 to 1930-----	1.3
1931 to 1940-----	1.7
1941 to 1947-----	1.3
1948 to 1954-----	.9
Future-----	1.0

Mr. PROXMIRE. One of the most widely recognized authorities in this field is a very controversial figure—Mr. Raymond Moley. In an article entitled "What Price Reclamation?" he discussed the benefit-cost ratio. To save time, I shall quote merely a part of the article.

Mr. Moley discussed the interest component device as follows:

In an opinion of the Solicitor of the Interior Department rendered in 1944 a source of subsidy for irrigation was revealed which has had revolutionary reverberations. It involves so subtle a bookkeeping trick that very few understood it then and, in fact, very few people outside the Department understand it now. I shall try to set it forth with sufficient explanatory background to make it clear.

Under the reclamation law as it had been written, up to and including the act of 1939, the price of power sold from Federal multipurpose projects was theoretically to be fixed high enough to include five parts or components:

(a) Operation and maintenance of the power facilities;

(b) An amount paid into a replacement fund, which need not be used every year but to be on hand when required;

(c) An annual amortization item for the repayment to the Treasury of the Government's investment;

(d) The interest at 3 percent on the unamortized power investment;

(e) A sum, rather inaccurately called a "profit," to be used as a subsidy to pay for some of the irrigation investment.

The justification for the theoretical inclusion of (e) and its theoretical use as a subsidy for irrigation is found in precedents going back to the early projects in which it was almost impossible to separate the respective costs of power and irrigation facilities.

However, this assignment of (e) as a component of the power price is in practice ignored, so far as I have been able to determine by a study of several projects. Power rates are in practice based upon the inclusion of factors (a), (b), (c), and (d) only.

In other words, the power rates as used are based on operation and maintenance, an amount paid into a replacement fund, an annual amortization item for repayment to the Treasury, and interest at 3 percent on the unamortized power investment—but not the "profit."

The Solicitor's opinion in 1944, by a strange process of reasoning and interpretation of the 1939 law and some preceding legislation, declared that the interest component, (d), could be applied to the repayment of the irrigation costs.

That is what is happening with respect to the Glen Elder project. Even though no power is to be produced, nevertheless somehow, in some strange, weird way, which baffles me and is beyond my comprehension, though I have thought about it for a long time, the power users in the Missouri River Basin are to be required to pay and will be charged, at least on a bookkeeping basis, for \$13 million of the \$17 million cost. Actually, that does not mean that the general taxpayer would be spared this expense at all. Far from it.

Of course, the total cost, including interest, will be in the area of \$72 million for merely the irrigation. Nevertheless the power user in the Glen Elder situation is, in fact, charged with a substantial amount of the burden of repayment.

I continue to read—

This was so revolutionary an interpretation of the law that even the Commissioner and the Counsel of the Reclamation Bureau disagreed. Assistant Secretary Michael Strauss, later to be Commissioner of the Bureau, said that before putting the Solicitor's opinion into practice the agreement of the Comptroller General or the authorization of Congress should be secured. But Secretary Ickes disregarded this advice and these warnings and approved the Solicitor's opinion. From that time to this, the Solicitor's opinion has been regarded by the Department as the law of the land.

Congress has never validated the Solicitor's opinion directly. In fact, a House committee has distinctly condemned it. The Bureau of the Budget has never squarely faced the issue, but has raised doubts about it on several occasions. President Truman was ambiguous, but in commenting on the Central Valley project of California said that the matter should be submitted to Congress. The President's Water Resources Policy Commission dealt with the question in a number of places in its report, but failed to meet it directly.

The new administration of the Department condemned the interest-component device, but after nearly 2 years was still using it or its equivalent, the Collbran formula. After all this time there has been no new opinion from the Department's Solicitor reversing the 1944 interpretation.

Why is that? It seems to me the only reason is that Congress has become so involved in so many responsibilities, and it is so necessary for every Member of Congress and for every Member of the Senate certainly to specialize in his own particular area, that we delegate and leave the responsibility in this area by and large to members of the Committee on Interior and Insular Affairs, who are very fine and able men of high character, but are also men who have a vested interest in many cases in providing as favorable an irrigation situation as they possibly can.

I seen nothing wrong with that, because I favor irrigation and feel that it has done a great deal not only for the West but also in building up the whole country. But unfortunately they somehow appear to have an opinion, one which is shared by the Interior Department, that they cannot trust Members of Congress with the facts.

They cannot tell them exactly what the situation is for fear that if Members of Congress know the facts, the number of irrigation projects approved will diminish. For that reason the masquerade—this fiction—is perpetrated on Members of Congress and the members of the public that these projects have a benefit in every case which exceeds their cost. They do not say that the taxpayer does not pay anything, but certainly that impression is spread abroad. Somehow, they say, if a project is alleged to have a favorable benefit-cost ratio, someone, somewhere in some way will get more benefits out of the project than it costs, and on any realistic assumption as I have shown here, the fact is exactly the opposite.

Mr. Moley continues—

The new administration of the Department condemned the interest-component device, but after nearly 2 years was still using it or its equivalent, the Collbran formula. After all this time there has been no new opinion from the Department's Solicitor reversing the 1944 interpretation.

I continue to read—

And so at this moment, a decade after the Solicitor's interpretation, the hitherto established rules for determining the feasibility and for repaying the Government's investment in irrigation projects are flouted.

The immense importance of this device is easy to demonstrate. A simple hypothetical example will suffice:

Assume a project with both power and irrigation facilities. The cost of the power facilities (the amount need not concern us) will, according to the estimates, be repaid in 50 years with interest from the power revenues. The cost of the irrigation facilities will be \$10 million. On this it is estimated that water users can pay only 25 percent, or \$2,500,000. No case for feasibility could be established on such terms. Therefore, the Bureau presents an estimate showing that the interest component on the power investment will be used to pay the missing \$7,500,000.

That is what has been used here. The only difference is that in the Glen Elder

project, instead of \$10 million, the total is \$17 million. Instead of the irrigators paying \$2.5 million, they pay \$4 million. So the power users, allegedly, by some bookkeeping device, are charged for the additional \$13 million. So far as irrigation and its repayment is concerned, we might argue in the raw terms of repayment here is a \$17 million project, with \$4 million repaid, and that in that sense the benefit-cost ratio would be .25 or less than 0.25. In other words, the repayment would be less for one-quarter of the cost.

This diversion from the Treasury of the interest component simply means that the taxpayers must pick up the bill for the interest on the power investment as well as the interest on the irrigation investment.

So it is merely a deception. We are befogged into believing that somehow the taxpayer would escape from paying the interest because it will be charged to the power user, although, of course, no benefit is provided to the power user.

Continuing to read:

As I shall presently show, this is, in any sizable project, a very large sum. The advantage to the people who conceived the device is that it is not easily understood, and the taxpayer is charged for a subsidy without realizing it. A direct subsidy would of course, raise a tremendous storm of opposition in Congress and among taxpayers generally. Senator Knowland, in opposing the central Arizona project in 1951, called this use of the interest component "double dealing, financial sleight-of-hand".

One example of the amounts covertly shifted to the taxpayers is in the Colorado-Big Thompson Transmountain Division project. The costs allocated to irrigation were, in round figures, \$100 million. Of this, water users were to pay only \$29 million. The remainder, \$71 million, would come from the power revenues, and of that \$63 million would be the interest component. That amount shifted to the taxpayers, plus the unpaid interest on the irrigation investment, would clearly be tens of millions more than the entire original irrigation costs.

In a report prepared by Charles D. Curran, of the Library of Congress, and submitted to the House Committee on Interior Affairs in 1953, * * * amounts of the interest component on 11 projects were listed.

Listed is a project in Boise, with an interest component of \$1,800,000; Columbia Basin, \$78 million; Hungry Horse, \$89 million; then there are two small ones; Central Valley, \$130 million; Parker-Davis, \$98 million; Rio Grande, \$8,780,000; Colorado-Big Thompson, \$64 million; Kendrick, \$15 million; Missouri River Basin, \$513 million. The total of those 11 projects in 1953 was \$999 million, or nearly \$1 billion.

I continue to read—

Repayment schedules currently proposed by the Bureau indicate that the interest component is used, or is contemplated being used, to pay irrigation costs on most of the projects listed by Curran, with the possible exception of the Columbia Basin where they have substituted the Collbran formula which imposes just as heavy a burden on the Nation's taxpayers.

THE COLLBRAN FORMULA

As the true nature of the subtly conceived interest-component device dawned upon informed people in Congress, it became apparent that direct legislative authority for it would never be secured. The Bureau then, in 1951, came up with an equally subtle substitute, the "Collbran formula," so named

because it was first applied to a small project at Collbran, Colo. When the bill was passed, it was specifically understood that the acceptance of the formula in that case should not be regarded as a precedent.

That wish has certainly not been honored.

Nevertheless, it has appeared in a number of plans for new projects since, and is actually tending to become established practice.

Of course this is the formula which is being used to justify the Glen Elder project.

Under the Collbran formula the interest component is used as it was originally intended—i.e., to pay back to the Treasury interest on the unpaid portion of the power investment over a fixed number of years of repayment.

Meanwhile, water users pay what they are able to pay on the irrigation investment, without interest. Since the amount required to be paid by water users on recent projects is only a small fraction of the cost, the unpaid portion goes on piling up a mountain of compounded interest. The result is the accumulation of a vast subsidy by the time the power costs are liquidated with interest.

Finally, after that far-away date, the power revenues are used to pay off the original irrigation investment, a very large part of which, as we have seen, has been postponed.

It is assumed by the Bureau in presenting this formula for repayment that the power revenues in that faraway year will be sufficient to pay off the original irrigation investment, as well as the costs of rehabilitation, whatever they may be.

All of this boils down to the stark truth that the repayment of irrigation costs must be from hypothetical power revenues received from hypothetical power users over a hypothetical period of time. In practically every recent project, as we shall see, that repayment period will extend into the 21st century.

In this case it goes beyond the first half of the 21st century, into the year 2064.

And during that long period the interest charge on the unpaid portion of the irrigation investment will be exacted from the taxpayers or added to the national debt.

No one who takes full account of the whole array of probabilities can believe that the entire investment for power and irrigation can ever be repaid during the probable life of the power facilities. The indeterminate but astronomical costs will have to be borne by the taxpayers.

Whether the Collbran formula imposes a smaller or larger subsidy on the taxpayer than the method of the Solicitor's 1944 opinion depends to a degree on the estimates used for payout time and also on how realistic it is to contemplate revenues beyond what might be the useful life of the project. It is also utterly speculative to try to determine the costs of operation, maintenance, and replacement in years so far in the future. The immensely detailed statistical payout schedules published by the Department are, despite their formidable appearance, a tissue of suppositions, guesses, and dubious estimates.

Certainly that is true in the case of the Glen Elder project.

Suppositions, guesses, and dubious estimates are appropriate words to use in describing the conjecture involved in this project.

Some of the grave questions raised by the Collbran formula are these: How can we

know what charges can be imposed upon power users many years in the future? How can we know how much power will be in demand? How can we know where the market will be? How can we know whether the market will be industrial or municipal? What about other forms of producing energy? Coal? Shale oil? Natural gas? Atomic power? We have had a revolution in the past 50 years. Will there be no changes in the next half century?

Despite these arresting considerations and the early reluctance of the policymaking officers appointed under the Eisenhower administration, the Department has recommended and Congress has authorized three projects containing the Collbran formula.

Now the Kennedy administration this year, in this one new start, has recommended the Collbran formula for the Glen Elder project.

In its plans for the immense Upper Colorado project the Department proposed a modified Collbran formula, asserted by a high official of the Department to be more "palatable" than the interest component device.

This modified Collbran formula was described by Budget Director Dodge in a letter to Congressman JOHN P. SAYLOR in a letter dated April 13, 1954:

"The principal difference between the Collbran formula and the repayment formula recommended for the Colorado River project, therefore, is that the cost allocated to irrigation cannot be expected to be fully repaid for considerably more than 50 years in the case of the Collbran project, whereas the full irrigation cost is required to be repaid within 50 years, exclusive of any development period, in the case of the Colorado River project."

What neither the Budget Director nor the Department of the Interior, nor any other source has made clear to me is how merely by decreeing that the irrigation costs must be repaid in a fixed number of years there can be any assurance that they will in fact be so repaid. The Department is vague in this upper Colorado project about a fixed payout schedule. In fact, the statements of the Department's representatives before congressional committees in 1954 were confusing, inconsistent with each other and with the terms of the proposed legislation.

There is no magic in the 50 years, said by Senator Watkins and other proponents of the project to be the period during which both power and irrigation costs would be paid out. The essential vice of the Collbran formula remains, regardless of the term fixed for payment—be it 50, or 70, or 73 years. The point is that the principle of the formula is the postponement of the repayment, for 40 to 50 years or more, of a major part of the irrigation investment on which compound interest piles up as a subsidy.

What I cannot understand, even after a laborious examination of all the documents and records and a questioning of some of the principals concerned, is how in the short space of perhaps 6 years after the power costs have been repaid with interest, the immense irrigation costs can be liquidated by power revenues, as claimed. It seems to me that any such promise to the Congress or the American people to provide repayment of both power and irrigation costs in 50 years is either supreme optimism or plain deception.

Of course, Mr. Moley was dealing with what was true then, and a 50-year life. Whatever was true with respect to 50 years is certainly true, a fortiori, with respect to a 100-year period.

Under the Collbran formula, the amount of the irrigation debt with accumulated interest will have become so great by the time power revenues become available for its re-

payment in 40 or 50 years or more that power revenues will probably be insufficient to pay even simple interest at 2½ percent. Hence, that accumulated debt can never be repaid from power revenues, but will continue to accumulate interest until it is paid off from taxes.

THE INTEREST-FREE SUBSIDY

The importance of the interest-free provision in the reclamation law as a subsidy increases in the first place because of the long delays in starting repayment, and following that, because of the immense extensions of payout time. This can be illustrated by a hypothetical case of a project costing \$1 million with a prevailing interest rate at 2½ percent.

Under the law, no repayment will be required until after the construction and development periods, assumed to aggregate 20 years, have passed. By that time the Government's investment is, with interest, \$1,459,000. Assuming then an optimistic case of where repayment of the \$1 million is made over a period of 50 years at the rate of \$20,000 annually, at the end of the 50 years the taxpayers of the Nation have been loaded with an accumulated interest debt of \$3,066,000. But, as we have seen, such an orderly and punctual repayment is almost never made. And this interest debt will go on and on, increasing over the immensely long period involved in some projects until it is paid off by the taxpayers of the Nation.

If the law, instead of providing an interest-free subsidy, should provide that the construction costs should not be repaid at all, but that the farmer should pay interest alone on the original \$1 million investment, the taxpayer would be better off by \$488,000 at the end of the 50-year repayment period and would be increasingly better off with longer years of repayment.

Since, as we shall see, almost all projects pay off somewhere between nothing and 100 percent (some run as low as 10 and 12 percent), let us see what the accumulated burden on the taxpayer would be if nothing were paid back, neither principal nor interest. It would, on the hypothetical \$1 million project, be over \$5 million at the end of the assumed 50-year repayment period.

This immense rate of growth of the taxpayer's burden must be kept in mind when we consider the subsidy involved in the use of the Collbran formula, which postpones a major part of the repayment on irrigation until the power investment is all paid off.

WHY GLEN ELDER IS NOT A GOOD PROJECT EVEN FOR PURPOSES OF PREVENTING FLOODS IN KANSAS RIVER VALLEY

Mr. President, it might be argued that the Glen Elder Dam would be a desirable and necessary project to build, even if the irrigation portion of the project was not included at this time or any other time in the future. While this would eventually save the taxpayer the cost of the interest charges on the national debt that he would have to pay, plus an initial outlay of \$15 million for the irrigation portion of the project, the project would still not be economical.

This is apparent by an inspection of the table of benefit-cost ratios for this project. Only through the use of the 100-year period of analysis, and the use of a very unrealistic rate of discount would the benefit-cost ratio for the flood control features of this project exceed 1.

This submarginal feature of the flood control benefits of the project is especially unfortunate when the higher benefit-cost ratios of alternative projects in the Kansas River Valley are considered. If the concern of Congress to protect against flood damage in the Kansas

River Valley it would be very easy to achieve this through the construction of other projects in the valley which have much higher benefit-cost ratios for the flood control portion of the project.

These projects are indicated in a table I shall place in the RECORD. It can be seen that other flood control projects proposed by the Corps of Engineers have higher benefit-cost ratios. The Perry project would yield \$2.50 of flood control benefits to each dollar of cost, the Woodbine would yield \$1.70 of flood control benefits using a 50-year period of analysis, and \$2.10 of benefits for each dollar of cost using the 50-year period of analysis.

The Onaga project would yield \$1.90 of flood control benefits to each dollar of cost if a 50-year period of analysis were used, while it would yield \$2.30 of

flood control benefits for each dollar of costs if a 100-year period of analysis were used, as in the case of the Glen Elder project.

The Grove project would yield \$1.50 of flood control benefits for each dollar of current cost for the project if a 50-year period of analysis was used, and \$1.80 of benefits if a 100-year period of analysis was used.

To put Glen Elder on a 50-year basis for flood control would result in a ratio of less than unity. It would not pay off at all. It would have a far higher ratio.

Mr. President, I ask unanimous consent that the table be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corps of Engineers reservoirs in Kansas River Basin, summary of benefits and benefit-cost ratios

Reservoir and stream	Average annual benefits		Benefit-cost ratio
	Flood control	Total	
Existing:			
Kanopolis, ¹ Smoky Hill River.....	\$1,866,000	\$1,866,000	3.3
Harlan County, ¹ Republican River.....	2,532,000	3,085,000	1.7
Under construction:			
Tuttle Creek, Big Blue River.....	8,183,000	10,139,600	2.9
Wilson, Saline River.....	1,128,000	1,557,000	1.6
Milford, Republican River.....	3,722,000	4,607,000	1.7
Authorized: Perry, Delaware River.....	3,628,000	4,320,000	2.5
Recommended:			
Woodbine, Lyon Creek.....	731,000	974,000	1.7
Onaga, Vermillion Creek.....	1,204,800	1,710,800	1.9
Grove, Soldier Creek.....	509,100	777,100	1.5
Clinton, Wakarusa River.....	1,026,400	1,544,400	1.4

¹ Estimates based on price levels at time project was placed in operation.

Mr. PROXMIRE. Mr. President, I have indicated a far higher ratio, a more favorable ratio if 100 years is involved.

It can be seen that other flood control projects proposed by the Corps of Engineers have the higher benefit-cost ratio.

Mr. President, I also ask unanimous consent that a letter dated June 7, 1962, which I have received from Major General MacDonnell, of the Department of the Army, be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., June 7, 1962.
HON. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: I am pleased to enclose, in accordance with your recent request, a copy of the Kansas River review report which was referred to on page 845 of the public works appropriation hearings. The estimated average annual benefits, for flood control and other purposes, are summarized on page 53 of the report for the four dams which are recommended therein.

The review report mentions the existing and authorized Corps of Engineers reservoirs in the Kansas River Basin but does not present any economic data regarding them. Therefore, I am inclosing a tabulation which shows the average annual flood control benefits, total benefits, and benefit-cost ratio for each of the existing, authorized, and proposed corps reservoirs in the basin. The existing and proposed reservoirs in the Solomon

River Basin are not included since they are U.S. Bureau of Reclamation projects.

Sincerely yours,

R. G. MACDONNELL,
Major General, U.S. Army,
Director of Civil Works.

Mr. PROXMIRE. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter dated July 24, 1962, also from Major General MacDonnell.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

HEADQUARTERS,
DEPARTMENT OF THE ARMY,
OFFICE OF THE CHIEF OF ENGINEERS,
Washington, D.C., July 24, 1962.
HON. WILLIAM PROXMIRE,
U.S. Senate.

DEAR SENATOR PROXMIRE: This is in reply to your recent letter regarding the estimated flood control benefits of the Glen Elder and the Perry Reservoir projects in the Kansas River Basin.

The estimated flood-control benefits credited to the Glen Elder and Perry projects, as quoted in your letter, were both computed by the Kansas City District of the Corps of Engineers. However, they are not exactly on the same basis. The Glen Elder value of \$1,394,000 represents estimated average annual flood control benefits based on prices and the status of economic development prevailing in 1960, adjusted to reflect expected future development in the area during the 50-year period—1960 to 2010. Apparently this computed value was used in the Bureau of Reclamation report without upward adjustment to account for a 100-year period of

development. The Perry estimate of \$3,628,000 is based on conditions expected during a 50-year period of development beginning in 1961 as compared with a beginning date of 1960 for Glen Elder.

Our most recent estimates of these flood control benefits, based on conditions prevailing in 1961 and using a 100-year period of analysis are: Glen Elder, \$2,064,000, and Perry, \$5,014,000. The foregoing estimates are based on an equitable distribution of benefits among the several reservoirs in the basin and are comparable.

The flood-control function of the Glen Elder project is of major significance in the Kansas River Basin, and if the irrigation features are to be deferred indefinitely, it would be desirable to reconsider the project on the basis of its flood control and other water resource potentialities, rather than assign it to such a low priority as to deprive the flood control system of its effectiveness.

I trust that the above information is adequate for your present needs.

Sincerely yours,

R. G. MACDONNELL,
Major General, U.S. Army,
Director of Civil Works.

Mr. PROXMIRE. Mr. President, to come to the end of my presentation, I shall summarize for a minute or two some of the points I have tried to make.

First. The Glen Elder project has not been properly authorized. Neither the Interior nor Public Works Committee, in the House of Representatives or the Senate, has ever considered this project in detail. The only previous congressional reference to it was a single line in the 1944 omnibus Pick-Sloan authorization, where it is listed along with 325 other projects. Since that date the project has been altered substantially. In the intervening 18 years the economic context in which a project evaluation must be made has also changed completely.

Second. Irrigation provided by the Glen Elder project will lead to a substantial increase in feed-grain surpluses. The official description of the project indicates that 13,000 of the newly irrigated acres will be used to grow grain sorghums, with a crop value at current prices of over \$1 million per year. I consider it incomprehensible that we should provide funds to increase grain sorghum production at the same time Congress is trying to deal with a feed-grain surplus amounting to \$3.3 billion, including over 700 million bushels of sorghums.

Third. The economic justification for the Glen Elder project is dubious, which further emphasizes the need for full congressional review and authorization. Its overall benefit-cost ratio is barely above one. Modifications in criteria suggested by the President's Water Resources Council could lower the ratio to less than one. Its financial feasibility is also doubtful. Some \$4 million of the \$17 million cost of the irrigation features will be repaid by the users over a 50-year period. The other \$13 million will not be repaid until about the year 2060, when revenues from the power sales of the Missouri River Basin will become available. Even though the initial costs will eventually be paid in this way, the general taxpayer will bear the substantial imputed interest cost, an estimated \$50

million, as well as the cost of acquiring the surplus grain sorghums.

Mr. President, I conclude by emphasizing that the map shows clearly the only area affected by the Glen Elder irrigation project. I have shaded in black the land which is owned by petitioners who have petitioned against this project and who, in emphatic terms, have said that they do not want it.

The fact is that the alleged beneficiaries of the land, the only people who will get any irrigation benefits, the 90 percent of the farmers involved, who own 85 percent of the land, have signed petitions swearing that they do not want the project.

It seems to me that it would be almost insane for Congress to insist on spending the taxpayers' money for a project which is not wanted by the beneficiaries, when the only economic result of the project would be actually to produce millions of dollars' worth of additional surplus and to generate this dreadful syndrome almost exactly 1 week after Congress has passed a farm bill spending \$1 billion to take this precise feed grain surplus out of production.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

ADDITIONAL REPORTS OF A COMMITTEE

The following additional reports of a committee were submitted:

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, with an amendment:

S. 3705. A bill to amend the District of Columbia Police and Firemen's Salary Act of 1958, as amended, to increase salaries, to adjust pay alignment, and for other purposes (Rept. No. 2214).

By Mr. SMITH of Massachusetts, from the Committee on the District of Columbia, with amendments:

S. 1447. A bill to amend the District of Columbia Teachers' Salary Act of 1955, as amended (Rept. No. 2215).

ADJOURNMENT UNTIL 10 A.M., MONDAY, OCTOBER 1, 1962

Mr. PROXMIRE. Mr. President, before I yield the floor, I move that the Senate adjourn, under the order previously entered, until 10 o'clock on Monday morning next.

The motion was agreed to; and (at 11 o'clock and 59 minutes p.m.) the Senate adjourned, under the order previously entered, until Monday, October 1, 1962, at 10 o'clock a.m.

NOMINATIONS

Executive nominations received by the Senate September 29, 1962:

TREASURER OF THE UNITED STATES

Mrs. KATHRYN E. GRANAHAN, of Pennsylvania, to be Treasurer of the United States.

BUREAU OF CUSTOMS

Michael Stramiello, Jr., of New York, to be appraiser of merchandise in customs collection district No. 10, with headquarters at New York, N.Y.

DIPLOMATIC AND FOREIGN SERVICE

William C. Doherty, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Jamaica.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

John M. Ledy, of Virginia, to be the Representative of the United States of America to the Organization for Economic Cooperation and Development.

COAST AND GEODETIC SURVEY

Subject to qualifications provided by law, the following for permanent appointment to the grade indicated in the Coast and Geodetic Survey:

To be lieutenants

James B. Allen W. Paul Yeager
J. Austin Yeager John D. Bossler

POSTMASTERS

The following-named persons to be postmasters:

CALIFORNIA

Amanda E. Meisgeier, Los Olivos, Calif., in place of N. J. Stonebarger, retired.

Doris E. Van Meter, Redway, Calif., in place of F. R. Sproul, resigned.

Lenora A. Milhoan, San Ardo, Calif., in place of M. F. Fluker, deceased.

FLORIDA

Josephine C. Blondhelm, Atlantic Beach, Fla. Office reestablished February 17, 1962.

Richard A. Monahan, Boynton Beach, Fla., in place of E. S. Pierce, retired.

IDAHOO

Clifford L. Davis, Tona, Idaho, in place of G. W. Denning, retired.

Luis Berrocha, Mountain Home, Idaho, in place of J. D. Sullivan, retired.

ILLINOIS

Edward E. Swan, Wheeling, Ill., in place of August Grewe, retired.

INDIANA

Vaughn L. Kostelney, Avilla, Ind., in place of M. M. Pepple, retired.

Miram T. Staples, Greensburg, Ind., in place of C. D. Samuels, resigned.

IOWA

Mildred L. Lisk, Lynnvillle, Iowa., in place of R. C. Ratliff, retired.

LOUISIANA

William H. Davis, Jr., Lacombe, La., in place of J. E. Bishop, retired.

Lois N. Farrar, Lillie, La., in place of A. L. Farrar, declined.

MASSACHUSETTS

Daniel G. Barrett, Rowley, Mass., in place of S. F. Knowles, Jr., retired.

James P. McBride, South Acton, Mass., in place of E. H. Reynolds, retired.

MICHIGAN

Roy A. Hierholzer, Grand Haven, Mich., in place of Homer Fisher, retired.

John S. Kilbride, Midland, Mich., in place of B. E. Voorhees, Jr., resigned.

MINNESOTA

William G. Nixon, Clarentment, Minn., in place of R. N. Martin, retired.

Durward C. Peterson, Clearbrook, Minn., in place of Clifford Bergland, retired.

Elton D. Schlueter, Gibbon, Minn., in place of H. G. Carlson, deceased.

MISSISSIPPI

Arjenter B. Cardwell, Harrisville, Miss., in place of L. R. Bracken, retired.

MISSOURI

Howard R. Smith, Vandalia, Mo., in place of W. R. Emo, resigned.

MONTANA

William B. Deffinbaugh, Regate, Mont., in place of G. R. McClarren, retired.

NEW HAMPSHIRE

Walter W. Fortier, Chocorua, N.H., in place of S. L. Weeks, retired.

Harry D. Perkins, Smithtown, N.H., in place of S. A. Brown, retired.

NEW MEXICO

Frances G. Shaw, Fort Stanton, N. Mex., in place of M. J. Price, deceased.

NEW YORK

Mae S. Cohen, Fallsburgh, N.Y., in place of Sam Rosenberg, resigned.

George R. Low, Pine Bush, N.Y., in place of G. H. Stanton, retired.

Margaret B. Belmont, Sidney Center, N.Y., in place of D. L. Hoy, removed.

NORTH CAROLINA

Roy C. Williams, Jr., Angier, N.C., in place of L. E. Johnson, retired.

Rosa J. Vernon, Milton, N.C., in place of M. C. Newman, retired.

OHIO

Conrad A. Bayer, Cleves, Ohio, in place of M. C. Dick, retired.

Wanda M. Keylor, Fairview, Ohio, in place of H. E. Frost, retired.

OREGON

James R. Landers, Beaverton, Oreg., in place of D. L. Jenkins, transferred.

PENNSYLVANIA

Francis A. Keyack, Shamokin, Pa., in place of R. A. Pensyl, deceased.

TENNESSEE

R. Frank Cunningham, Obion, Tenn., in place of H. B. Fox, deceased.

Jeff J. Blanks, Jr., Trezevant, Tenn., in place of J. B. Goodwin, retired.

TEXAS

Bertha L. Delz, Texon, Tex., in place of B. F. Irby, transferred.

VIRGINIA

Robert W. Nash, Brodnax, Va., in place of E. C. Michael, retired.

Kerry P. Sutherland, Grundy, Va., in place of P. V. Dennis, Jr., resigned.

Garland M. Tyree, Somerset, Va., in place of W. L. Johnston, retired.

WISCONSIN

Evan J. Cowen, Caledonia, Wis., in place of E. P. Jacob, resigned.

Iva E. Beech, Coloma, Wis., in place of R. E. Gaichen, transferred.

CONFIRMATIONS

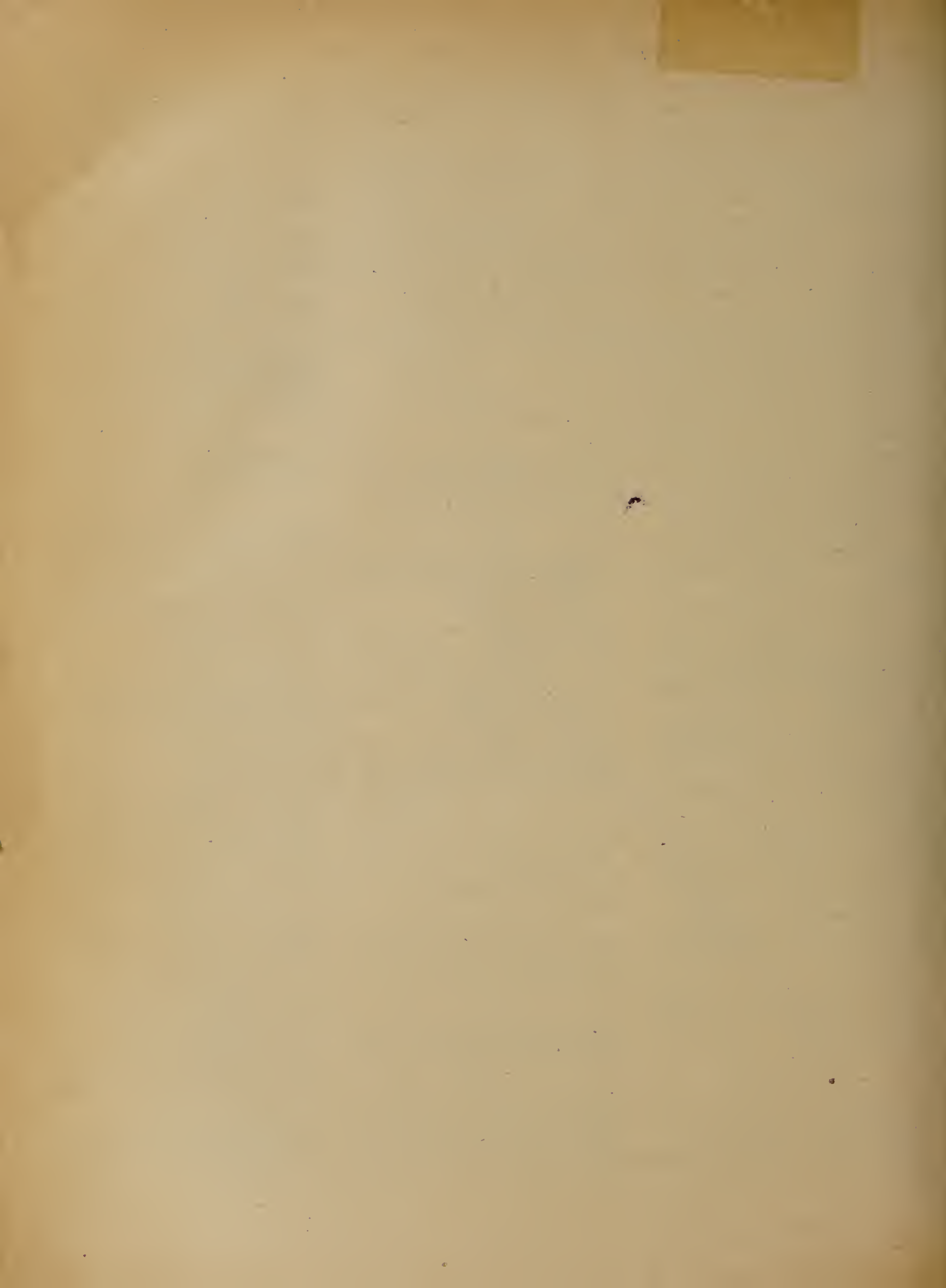
Executive nominations confirmed by the Senate September 29, 1962:

COLLECTOR OF CUSTOMS

John Neil McCardell, of Maryland, to be collector of customs for customs collection district No. 13, with headquarters at Baltimore, Md.

COMPTROLLER OF CUSTOMS

Edward F. O'Malley, of Maryland, to be comptroller of customs, with headquarters at Baltimore, Md.



Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Oct. 2, 1962

For actions of Oct. 1, 1962

87th-2d, No. 178

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HIGHLIGHTS: For highlights see page No. 8.

SENATE

1. AGRICULTURE AND FORESTRY COMMITTEE reported the following bills: p. 20245

S. 3756, without amendment, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 wheat crop shall be applicable to any farm on which acreage of wheat exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963 (instead of 1959, 1960, or 1961) (S. Rept. 2224).

H. R. 12653, without amendment, to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase from \$150 million to \$200 million annually the amount of loans which may be insured under the Act (S. Rept. 2220).

H. R. 10708, with amendment, to amend the Rural Electrification Act with respect to financing communication facilities for transmission of sounds, signals, pictures, writing, and signs, as well as voice (S. Rept. 2221).

- H. R. 12855, without amendment, to amend provisions of the Agricultural Adjustment Act of 1938 providing for the lease and transfer of tobacco acreage allotment so as to exclude cigar-filler and cigar-binder tobacco, types 42,43,44,53,54, and 55 from the lease and transfer authority (S. Rept. 2222).
- H. R. 946, without amendment, to extend to oyster planters the benefits of the provisions of present law which provide for production disaster loans for farmers and stockmen (S. Rept. 2219).
- S. 3370, with amendment, to authorize the Secretary of Agriculture to relinquish to Wyo. jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District (S. Rept. 2223).

2. APPROPRIATIONS; BUDGET. Received from the President supplemental appropriations for fiscal year 1963 for this Department (S. Doc. 152)(p. 20245). Attached to this Digest is a summary of the items pertaining to this Department.
3. PUBLIC WORKS APPROPRIATION BILL, 1963. Passed with amendments this bill, H.R. 12900. Conferees were appointed. pp. 20239-45
4. FARM PROGRAM. Sen. Humphrey criticized charges of the Republican National Committee against the Food and Agriculture Act of 1962 as "a deliberate and reckless attempt to turn farmers against consumers and city dwellers against rural America," and defended the Act against these charges. Sen. Kuchel defended the charges and contended that the farm bill had merited defeat. pp. 20335-6
- Sen. Kuchel inserted an editorial critical of the farm program and relative experiences of Sen. Anderson in conducting farm operations under the program. p. 20336
5. WORLD FOOD CONGRESS. The "Daily Digest" states that the Foreign Relations Committee approved with amendment S. 3679, to authorize funds to enable the U. S. to extend an invitation to the Food and Agricultural Organization of the U. N. to hold a World Food Congress in the U. S. in 1963. p. D917
6. WATERSHEDS. The Agriculture and Forestry Committee approved the following watershed projects: Crooked Bayou, Ark.; West Fork Pond River, Ky., and Hardin Creek and Mill Creek, Tenn. p. D916
7. PUBLIC WORKS. The Public Works Committee reported without amendment (an original bill) S. 3773, the public works authorization bill (S. Rept. 2258), p. 20246
8. FOREIGN AID APPROPRIATION BILL, 1963. Began debate on this bill, H. R. 13175 (pp. 20248, 20260-2, 20270-92, 20298-329). By a vote of 34 to 40, rejected an amendment by Sen. Ellender to reduce by \$200 million the amounts for development loans and economic assistance (pp. 20314-9).
9. STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963. The Appropriations Committee reported with amendments this bill, H. R. 12580 (S. Rept. 2226). p. 20245
10. STATISTICS. The Post Office and Civil Service Committee reported without amendment H. R. 7791, to provide for the collection and publication of foreign commerce and trade statistics (S. Rept. 2217). p. 20245



United States
of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 87th CONGRESS, SECOND SESSION

Vol. 108

WASHINGTON, MONDAY, OCTOBER 1, 1962

No. 178

Senate

The Senate met at 10 o'clock a.m., and was called to order by Hon. LEE METCALF, a Senator from the State of Montana.

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, for this quiet moment at a week's beginning, closing the door upon the outer world with its tumultuous and unpredictable events, we would see ourselves in the white light of Thy holiness. In the light of Thy presence we pour contempt on all our contemptible pride, as in Thy effulgence we stand revealed in all our pettiness and betrayals of the highest.

In the world about us, wickedness seems so often triumphant and strong; goodness, so rare and feeble. But though the wrong seems oft so strong, may we become sure of Thee, as men who watch through a long night know beyond all doubt or questioning that daylight has returned. Send us forth as sons of the morning, to bring Thy radiance to every shadowed life we meet.

We ask it in the name of the One who is the light in all earth's darkness, and of whom it has been declared: "In Him life lay, and that life is the light of men." Amen.

DESIGNATION OF ACTING PRESIDENT PRO TEMPORE

The legislative clerk read the following letter:

U.S. SENATE
PRESIDENT PRO TEMPORE,

Washington, D.C., October 1, 1962.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. LEE METCALF, a Senator from the State of Montana, to perform the duties of the Chair during my absence.

CARL HAYDEN,
President pro tempore.

Mr. METCALF thereupon took the chair as Acting President pro tempore.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, September 29, 1962, was dispensed with.

PUBLIC WORKS APPROPRIATIONS, 1963

The Senate resumed the consideration of the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator from Montana will state it.

Mr. MANSFIELD. Under the unanimous-consent agreement which has been entered into, is it correct that the time limitation begins to run immediately, or will there be time for a brief morning hour?

The ACTING PRESIDENT pro tempore. Under its order of Saturday last, the Senate will now resume the consideration of House bill 12900, the civil functions appropriation bill, under a limitation of 30 minutes debate on the pending amendment of the Senator from Wisconsin [Mr. PROXMIER], to be equally divided and controlled, respectively, by him and the Senator from Louisiana [Mr. ELLENDER], with the vote on the amendment to be taken by yeas and nays at 10:30 a.m.

So the time begins running immediately.

Mr. PEARSON. Mr. President—

Mr. MANSFIELD. I yield 12 minutes to the Senator from Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Kansas is recognized for 12 minutes.

Mr. PEARSON. I thank the Senator from Montana.

Mr. President, on the basis of my observations during the few months I have been in the Senate I would say that one of the problems that confronts one who serves in this body is the determination of when there is enough time to make detailed and thorough studies of the various projects which come before this

body. Therefore, I compliment the Senator from Wisconsin for the detailed study he has made and the depth to which he has gone in preparing the case in support of his amendment.

As I read the record and review the material the Senator from Wisconsin placed before the Senate, I should say his objections in general relate to the present system for the determination of irrigation and flood control projects. The specific case with which he dealt in this connection is the Glen Elder Dam, in Kansas. In that connection, he developed four points: First, that the project was not properly authorized; second, that construction of this particular facility will increase the feed grain surpluses, inconsistent with the farm plan recently passed; third, that although the cost is in accord with the prescribed benefit-cost ratio, it is barely above that 1 percent; fourth, that 90 percent or 95 percent of the people in the area affected do not wish this project constructed.

In response to these points, I say that the Glen Elder project was processed in the regular, traditional manner, and was carefully reviewed by the Subcommittee on Irrigation and Reclamation, of the Committee on Interior and Insular Affairs, and then by the Appropriations Committee. That was the regular and joint review, and it showed a benefit-cost ratio of 1.18 to 1.

In connection with my recommendation that this amendment be rejected, I make this statement not only on my own behalf, but also on behalf of my distinguished senior colleague [Mr. CARLSON].

It is vitally important that the Senate be accurately and objectively advised concerning the justification and authorization of the Glen Elder unit of the Missouri River Basin project, in Kansas. On occasion, Senators have appeared before committees and on the floor to speak in opposition to the development of this project by the Bureau of Reclamation. Among the points that have been raised is one to the effect that the project has not been properly authorized. It is to this point that I should like to direct my first remarks.

This matter has been the subject of a careful review by the Subcommittee

on Irrigation and Reclamation of the Committee on Interior and Insular Affairs. In fact, only last April 13, 1962, under the chairmanship of the Senator from New Mexico [Mr. ANDERSON], a comprehensive inquiry was conducted concerning the very question of the validity of the authorization of the Glen Elder unit. Extensive testimony was taken from officials of the Department of the Interior and the Bureau of Reclamation. That testimony thoroughly discredited the suggestion that there is anything improper about the authorization of this program and other elements of the comprehensive plan for development of the water resources of the Missouri River Basin project.

In brief, Mr. President, it was conclusively established that the Glen Elder unit is clearly identified as being among the elements of the comprehensive plan set forth and described in Senate Document No. 191, 78th Congress, 2d session, and authorized for construction by the Secretary of the Interior under the Flood-Control Acts of 1944 and 1946.

Allegations have been made, also, to the effect that the Bureau of Reclamation has improperly amended and enlarged the project beyond the scope of the original authorization. Careful comparison of the plan at the time of first congressional consideration and as it now is being proposed discloses that there have been no changes in location, scope or objective. Much has been made over the fact that the reservoir now proposed to be constructed is larger than the one envisioned in 1944. This is an admissible fact, but nonetheless justifiable. The original purpose of the Glen Elder unit, as clearly set forth in the original project documents, was the irrigation of semiarid lands with the regulated runoff of the Solomon River, and the regulation of flood stages at levels necessary to protect the highly developed damage centers downstream from the damsite. We now find that detailed hydrologic and economic investigations disclose the need to provide more storage capacity to achieve these goals than could reasonably have been foreseen.

Unusually severe and prolonged droughts which are periodically experienced in my State require that more conservation capacity be provided, in order to assure that ample water supplies are carried over to periods of need. Extraordinary storms which have been experienced require that ample storage be provided for temporary detention of flood flows. Laymen often feel that it is paradoxical for flood and drought, alike, to be cited as reasons for increasing reservoir storage. It is significant, however, that the Subcommittee on Irrigation and Reclamation examined this alleged paradox in great detail and has not drawn any conclusion or published any report or other expression which would deny its technical justification.

Therefore, concerning justification, we find that the project was identified with preciseness in the project documents supporting the authorizing act. We find that the intended purposes have not been substantially altered, and that the presently proposed project is clearly con-

sistent with the intent of Congress in passage of the acts of 1944 and 1946. It is, therefore, difficult to see how one could reasonably conclude that the Glen Elder unit is other than fully and legally authorized for construction.

In this connection, I request unanimous consent to insert in the RECORD a copy of a letter from the Honorable Stewart L. Udall, Secretary of the Interior, to the chairman, Senate Subcommittee on Irrigation and Reclamation, dated April 6, 1962. This letter will furnish interested Senators a detailed discussion of the points which I have so briefly summarized in my foregoing remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 6, 1962.

HON. CLINTON P. ANDERSON,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: We are pleased to offer the following discussion concerning the status of authorization of the Glen Elder unit, Solomon division, Missouri River project, Kansas, in response to your letter of March 16, 1962. Request was also made for a list of all units and divisions of the project, as authorized by the Flood Control Acts of 1944 and 1946, together with their principal features and estimated costs. Finally, your letter requested a statement of the present policy of the Department in regard to seeking authorization or reauthorization of individual Missouri River Basin project elements in advance of requests for construction funds.

The comprehensive plan of development for the Missouri River Basin project was included in the report approved by Secretary Ickes in April 1944. This report was subsequently transmitted to the Congress and printed as Senate Document No. 191, 76th Congress, 2d session. Later, certain amendments and substitutions to the plan were effected in Senate Document No. 247, 78th Congress, 2d session, and the amended plan was approved by section 7 of the Flood Control Act of 1944 (ch. 665, 58 Stat. 887). This legislative act also specifically authorized the recommended initial stages of development; this being a number of specific undertakings itemized on page 15 of Senate Document No. 191. Additionally, the sum of \$200 million was authorized to be appropriated for partial accomplishment of works to be undertaken by the plan by the Secretary of the Interior. We have considered that the act of December 22, 1944, is the sole source of authorization for these elements of the plan of development specifically mentioned as being "Initial stage."

All other units, or segments, of the approved plan presented and identified in Senate Document No. 191, as revised and coordinated by Senate Document No. 247, are considered to have been authorized by the Flood Control Act of 1946 (40 Stat. 641, 653), section 18 of which reads, in part, as follows: " * * * In addition to previous authorizations, there is hereby authorized to be appropriated the sum of \$150 million for the prosecution of the comprehensive plan adopted by section 9a of the act approved December 22, 1944 (Public, No. 534, 78th Cong.), for continuing the works in the Missouri River Basin to be undertaken under said plans by the Secretary of the Interior."

This act removed the 1944 limitation on authorization to the initial stage units only. This broadening of the authorization is also reflected and affirmed in subsequent legislative enactments providing appropriations authority for prosecution of the entire comprehensive plan of development approved by

the act of December 22, 1944. Except for variations in the amounts authorized to be appropriated, substantially identical language to that quoted from the act of July 24, 1946, is also found in the Flood Control Acts of May 17, 1950, July 3, 1953, and July 14, 1960.

The policy for determining whether an individual unit of the project requires authorization or reauthorization has its foundation in the aforementioned Senate Document No. 191. This document identified the numerous units of the project with varying degrees of generality and detail, depending largely on the stage of study and investigation than performed with respect to each unit. Basically, then, the test of authorization depends first upon whether the unit, under plans currently developed, is reasonably described in the text of that report and identified on its accompanying maps (app. III). The fundamental test is one of a reasonable identity of objectives and means of their accomplishment. Points bearing on this determination include (1) major purposes to be accommodated, (2) location and extent of areas intended to be irrigated, (3) character, location, size, and functions of water storage and carriage facilities necessary to accomplish the purposes of the unit, and (4) the relationship of a particular unit to the comprehensive plan as a whole. Where present plans, which are necessary much more detailed and accurate as a result of recent study, a unit which is reasonably identifiable with that which was more briefly described and exhibited to the Congress, the unit is considered to be properly authorized. If, on the contrary, studies since the date of the report have disclosed the necessity and desirability of significant changes, physically and functionally, in the unit as originally identified, it is considered necessary to seek reauthorization by the Congress.

To serve as examples, your attention is invited in two units, both lying in the Middle Loup River Basin in Nebraska and adjoining each other rather closely in that area. The first is the Sargent unit, generally identified on pages 91 and 92 of Senate Document No. 191 and on the accompanying map of Nebraska. The report contemplated a small reservoir on Dismal River, a tributary of the Middle Loup River upstream from the town of Loring and a diversion from the Middle Loup River at or near the town of Milburn for the irrigation of lands lying along the river and surrounding the town of Sargent.

The irrigated acreage was estimated at 25,000 acres. The development of the Sargent unit has been provided without further authorization. The first stage of development consisted of the Milburn diversion works at about the point previously identified, the Sargent Canal from such works to irrigate lands on the north side of the river. A deferred stage of development will provide the Lillian Canal to serve lands on the south side of the river. The acreage contemplated now as irrigable constitutes approximately 17,500 acres of the original area. It has been considered so far unnecessary to provide the storage reservoir upstream, as originally contemplated.

In contrast has been the history of development of the Farwell unit which lies also along the Middle Loup River, downstream from the Sargent unit. As originally identified on page 92 of Senate Document No. 191, the Farwell unit would have irrigated an area of about 15,000 acres in Howard County near Farwell, west of St. Paul. The water supply would have been from the Middle Loup River, and storage would have been provided in the aforementioned Dismal Reservoir. As the plan developed, however, the area of potential irrigation covers approximately 52,530 acres around the same

general area. The water supply is to be derived from a diversion from the Middle Loup River above Arcadia in Valley County to a storage reservoir known as Sherman Reservoir on Oak Creek, which is a tributary to the Middle Loup River. In view of the very significant increase in the area to be irrigated and of the selection of a new reservoir site on a different stream, it was considered that the unit could not be deemed authorized. Accordingly, under date of June 15, 1956, the Secretary of the Interior adopted and transmitted to the President a report on the unit in order that it might be placed before the Congress for reauthorization. The report was printed in House Document No. 445, 84th Congress, and the Farwell unit was thereafter authorized by the act of August 3, 1956 (70 Stat. 975) as an amendment to the original authorization.

The foregoing is essentially the same as the explanation furnished by Assistant Secretary Fred G. Aandahl in a letter to you dated January 15, 1958.

Relating the Glen Elder unit to the above discussion, we find that it was mentioned in the same degree of detail on pages 94 and 95 of Senate Document No. 191, as were the Kirwin, Webster, Cedar Bluff, and many other units of the comprehensive plan that have been constructed and are now in operation without additional specific authorizing action.

The plan of development at the time of authorization contemplated a reservoir at the Glen Elder site on the Solomon River with a capacity of 304,000 acre-feet for service to 26,000 acres of land and for the corollary purposes of flood control and silt control. The unit plan was not amended by Senate Document No. 247; therefore, the plan in Senate Document No. 191 can be said to be that approved by the act of December 22, 1944, and later authorized for construction by the act of July 24, 1946.

The approved plan of development for the Glen Elder unit, which forms the basis for the request for construction funds in the President's budget for fiscal year 1963, is believed to be reasonably identifiable with that described above and, for this reason, does not require further authorizing legislation. The major facility of the unit is now proposed for construction at the same site and for the same purposes as those included in Senate Document No. 191. The irrigable acreage is now estimated to be 21,000, as compared to 26,000 at the time of authorization. This reduction is attributed to a revised estimate of the dependable water supply as a result of more detailed hydrologic study through an extended period of streamflow record. It has also been determined that additional reservoir capacity will be required to provide for sufficient carryover adequate to irrigate the 21,000 acres of lands now planned and that significant increases in flood control storage are necessary to furnish a justifiable degree of flood control to potential damage centers downstream in the Solomon, Kans., and Missouri River Basins.

The flood control capacity has been established in collaboration with the Corps of Engineers, Department of the Army, and is that estimated to be required to prevent recurrence of major disasters, such as the June 1951 floods at Kansas City, Kans., and Kansas City, Mo.

The present approved plan for Glen Elder unit also contemplates benefits to the purposes of fish and wildlife, minimum basic recreation facilities, and municipal and industrial water. These water resource purposes are properly additive to the plan under contemporary legislative authorities and are of minor or no effect on the overall cost of the undertaking.

The originally planned capacity of 304,000 acre-feet was comprised of 121,000 acre-feet

of conservation storage and 185,000 acre-feet of flood control. The present planned capacity is 876,000 acre-feet, made up of 239,100 acre-feet of conservation storage and 736,900 acre-feet of flood control.

For both irrigation and flood control, the end objective has not been changed, i.e., the irrigation of some 20,000 to 26,000 acres of land and the provision of effective flood protection to the potential damage centers. Further study, however, has demonstrated that there is a somewhat smaller dependable irrigation water supply, although more storage is required to accomplish the original objectives. While the increase in capacity is marked, we believe that, since the fundamental objectives and locations have not changed, the unit remains appropriate for the presentation of a budget request without further legislation. Additionally, the percentage increases in storage capacity being contemplated for Glen Elder unit is within the general range of that which has been provided on several reservoirs which were constructed or are being constructed without further legislative action.

In order that full information be available, we are pleased to advise that the cost of the unit at the time of authorization was estimated as \$17,310,000 on the basis of prices prevailing in 1940. Our composite index for converting prices from 1940 to current bases is 2.72. This would indicate that the plan of development appearing in Senate Document No. 191 would have a current estimated cost of about \$47 million. The present cost estimate for Glen Elder unit is \$59,354,000. The portion of this estimate in excess of \$47 million is associated with the increases in reservoir capacity discussed above and other minor changes in the unit plan.

A list of authorized units of the Missouri River Basin project was attached to the above-cited letter of January 15, 1958. For convenient reference, a copy of that list is attached hereto. Some of the units contained on that list, including the Glen Elder unit, have been studied in more detail under the program of advance planning. In those cases, the costs would be subject to some revision. Time has not permitted us to bring this list completely up to date. If you find that your purposes are not served by the list which you have at hand, we would be happy to undertake the work required to update and republish it.

Sincerely yours,

STEWART L. UDALL,
Secretary of the Interior.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. PEARSON. I yield.

Mr. MORSE. I commend my good friend from Kansas for the very able argument he has made in support of the project. It always pains me when I find I have to leave my friend from Wisconsin on any issue, but on these reclamation projects the Senator from Wisconsin and I seldom see eye to eye. The position taken by the Senator from Kansas is unanswerable from the standpoint of the one issue which I want to cite.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I yield 1 additional minute to the Senator.

Mr. MORSE. In the next 100 years I think one of the two or three most important domestic issues that will face the American people will be the conservation and preservation of the water supply and the maintenance of our water table. What history teaches us is very

interesting, but it has been shown over and over again that, as the population of a country rises, for some reason the people of that country forget their dependence upon water. This is happening already in some parts of the United States. Out in the great section of the country from which the Senator from Kansas comes—in fact, the whole West—we must pay attention to the water table and the water supply.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. MORSE. If I may have a half a minute more, I merely wish to say that, although in this case the cost-benefit ratio is favorable, even if it were not, I think we shall have to spend money in the next 100 years, by the millions of dollars, to preserve the water table and water supply. When all is said and done, our whole civilization is dependent upon it.

I support the Senator from Kansas in this reclamation project, as I will be found supporting other reclamation projects, because I think that kind of capital investment is a sound investment in the future welfare of the American people.

The ACTING PRESIDENT pro tempore. The time of the Senator has again expired.

Mr. PEARSON. Mr. President, may I have half a minute?

Mr. MANSFIELD. Mr. President, I believe I have 1 more minute left. I yield the remaining time to the Senator from Kansas.

Mr. PEARSON. Mr. President, I should also like to point out that the Glen Elder unit is absolutely essential to the realization of a safe level of flood control for the highly developed urban and industrial sections of Kansas City, Kans., Kansas City, Mo., and other major cities in Kansas. The entire membership will recall the tremendous loss of life and property which occurred during the floods of 1951, in this area. Studies by the Corps of Engineers show that hundreds of millions of dollars of property damage was caused by this flood alone. This is many times the full cost of Glen Elder Dam and Reservoir.

It is important that Senators understand that the damage centers downstream from Glen Elder are protected by levees and dikes, and that the practicable economic limits on dike construction have been attained. In order for these dikes to serve their purpose, it is necessary that sufficient reservoir regulation be provided to maintain river flows at stages that can be controlled by the dikes without overtopping or breaching. It is in this sense that Glen Elder Dam is a must; for there are no other opportunities to provide control of floods originating in the Solomon River Basin except at this site.

In short, the construction of the Glen Elder unit is of tremendous importance to the preservation, stabilization, and progress of the industrial economy of the State of Kansas. These are the reasons why this development is sought. I hope that the Members of the Senate

will appreciate the importance and significance of this measure to the regional and national economy and manifest this appreciation by favorable action on measures to provide funds for its early realization.

Mr. PROXMIRE. Mr. President, I yield myself 10 minutes.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized for 10 minutes.

Mr. PROXMIRE. Mr. President, I oppose this project with great reluctance. I realize that opposing a project in the State of another Senator, and especially the State of two very fine Senators such as the Senators from Kansas, is a difficult thing to do and a task which must be undertaken with considerable reluctance. I do so because I feel that this is a classic example of almost fantastic waste, and that on virtually no count can the Glen Elder project be justified.

Moreover, the great difficulty in the Senate's going ahead with this project is that it shatters a precedent. If we go ahead with this one, there are one and a half billion dollars worth of similar projects which have this one-line authorization, made 18 years ago, when the situation was entirely different, with respect to which appropriations can be requested by the administration without authorization by Congress and which will be granted because the precedent has been established.

I think the merits of the argument against this project are extremely strong. Once again I call the attention of the Senate to the map in the rear of the Chamber, showing the land which is owned by farmers, to whom the only benefits will go from irrigation. On this map we have indicated by dark color the land owned by farmers who have petitioned against the irrigation project within the last few years. They have reiterated their position recently. We find that 90 percent of the farmers involved do not want it. They are the only ones who would get the benefit from the irrigation project, and they are opposed to it; 90 percent of the farmers own 85 percent of the land in the area. So the Federal Government is soon to spend \$60 million, \$17 million of which will be for irrigation, to irrigate land which the landowners do not want irrigated.

That is the first point.

In the second place, if the irrigation district were established, there is no question that it would increase the size of our feed grain surpluses. When this kind of project was authorized 18 years ago there were no feed grain surpluses. There was every reason why we should want to do all we could to encourage farmers to grow more. We needed more feed grains. We needed more of virtually all farm crops. Today we have enormous surpluses. We have over \$3 billion of feed grain surpluses. There are 700 billion bushels of grain sorghums in surplus.

This project would result in the production of \$1 million a year of additional grain sorghums.

What sense does it make? Congress passes an appropriation to pay earnest

money, in effect a \$750,000 downpayment on a \$60 million project which the farmers affected do not want, which they oppose, which they petitioned against, and which, if it goes into effect, will result in the production of \$1 million a year of additional surpluses, which also will go on the back of the taxpayer.

In the third place, the overall benefit-cost ratio is barely over 1. Modifications in the criteria suggested by the President's Water Resources Council would lower the ratio to less than 1. Of course, the indirect benefits which are included would be sharply dropped.

We calculated the figures pretty carefully. I challenge any Senator to show that the figures are not accurate. The fact is that the general taxpayers will bear an interest cost of over \$50 million before the \$17 million construction is repaid 100 years from now. The cost of acquiring the grain sorghums will be an additional burden on the general taxpayer. The irrigators will pay only \$4 million of the \$17 million construction cost. The power users—and there will not be an increase of 1 kilowatt—will pay \$13 million. But, because most of the loan will not be paid back for nearly 100 years, the interest on the cost of the project will be very heavy, and the general taxpayers are going to have to pay more than \$50 million of the cost.

I insist that this project is not properly authorized, because neither the Interior nor the Public Works Committees in the House of Representatives or in the Senate has ever considered this project in detail.

It is true that some consideration was given by the Senate Committee on Interior and Insular Affairs to this unusual authorization procedure, but this did not constitute an authorization hearing since only incidental attention was given to the merits of this project.

Incidentally, I did not quote on Saturday night—the statements by members of the Committee on Interior and Insular Affairs on this subject. They are concerned about this procedure and have expressed their feeling that these projects should be returned to the Committee on Interior and Insular Affairs for reconsideration. Indeed, this project should be, when we consider it was only one line in a 1944 omnibus Pick-Sloan authorization, at a time when conditions were entirely different with respect to farm surpluses.

The distinguished junior Senator from Kansas I think made a very able plea. I think the case is weak, but the Senator made the best of the situation.

The cost of this project since the time of authorization has more than tripled. At the time of the blanket authorization, the cost of the whole project would have been much less than one-third the present cost.

If a project has not been changed when it would cost three times as much, I do not know what could be considered a change. The storage capacity would be increased from 304,000 acre-feet to 976,000 acre-feet. That certainly would constitute a vast change over the past 18 years.

Under these circumstances, Mr. President, it seems to me that there is really no resemblance between the present project and the project originally authorized.

Also I should like to say that if it is desired to cut back on flood losses in Kansas, in the Missouri River Basin, it would be far more efficient to build some of the alternative flood control projects, which have much higher benefit-to-cost ratios than this flood control project. This would mean that it would be very easy to get more flood control benefits per dollar of expenditure on dams.

The Solomon River flows into the Kansas River. It constitutes about 8 percent of the flow. The main flood damage is expected to be done at Kansas City, 250 miles below this damsite. To argue that this would be an efficient way to stop flood damage in Kansas City, when there are many other areas in which the investment would be far better on the basis of the benefit-to-cost ratios, it seems to me to be an argument which does not make sense as to a good flood control investment.

If the Congress is ever going to take the position that a project is unworthy, it seems to me it must take that position today. From the standpoint of the taxpayer, from the standpoint of the farmers of America, from the standpoint of the farmers who are directly involved in the case, it seems to me this project cannot be justified.

Mr. President, how much time have I remaining?

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin has 7 minutes remaining.

Mr. PROXMIRE. Mr. President, the distinguished Senator from Oregon, who is also very skilled and able in the area of conservation and the use of water resources, talked about the great importance of the water table and of properly conserving our water resources. I agree that there is almost nothing more important than water resources. The Senator from Oregon has often talked about how civilization depends upon a water supply. It does, indeed.

I submit that this project would involve a misuse of the water supply. How ridiculous it would be for us to authorize a project which would provide primarily for the production of additional feed grains, when we already have surpluses, and by so doing we would appropriate water which could otherwise be used to prevent the pollution of streams which, in Kansas, as is true in virtually every other State, represents a very serious problem.

On Saturday night I went into considerable detail to show how, in this same area of Kansas, pollution of streams has become a serious problem and how, by authorizing a project which would utilize this water at far lower expense, we could obtain a much greater return from the standpoint of the well-being of all Kansans, and certainly of Kansas industry, and particularly of the American taxpayers.

I pointed out that a study of the San Juan River in New Mexico showed that industrial uses were infinitely preferable

to irrigation, that the returns were something like three or four times greater for each dollar spent.

I hope the Senate will agree to my amendment. Passage of my amendment would not mean that the Glen Elder project would be dead. It would merely provide an opportunity for proper authorization. It would provide the Committee on Interior and Insular Affairs with an opportunity to consider the project and pass on it. It would mean that the Senate would insist that before we pass on appropriations for projects involving \$1.5 billions of dollars of the taxpayers' money—and, as I have shown, this would be a precedent which would result in the spending of \$1.5 billion—the Committee on Interior and Insular Affairs, the proper authorization committee, should take a good, clear, direct look at it, and have an opportunity to appraise it.

In conclusion I should like to quote the question raised by the chairman of the Committee on Interior and Insular Affairs, in questioning Mr. Carr of the Department of Interior. The Senator from New Mexico [Mr. ANDERSON], as chairman of the committee said:

Senator ANDERSON. Do you think we ought to make this sort of blanket authorization in the future or should we authorize projects as definite plans are completed?

Mr. CARR. I think, Mr. Chairman, we ought to have definite plan reports and authorize the projects as individually as we can. This way we will get a better job done.

Mr. President, I do not know what could be more unequivocal than that statement. When we are considering a specific project involving two very fine Senators, and that project is before the Senate under these circumstances, it is very difficult for the Committee on Interior and Insular Affairs to reverse a decision which I think was made in haste and in error in the calling up of a new start.

Under these circumstances, the Senate now has an opportunity to give more mature consideration to the project, without prejudice to it or to the Senators. I earnestly hope it will be returned to the committee so that it can receive the individual attention that Mr. Carr feels to be so desirable.

Certainly any realistic consideration of the rights of the property owners in the Solomon River Valley area, who will be affected by this project, shows that they are overwhelmingly opposed to it; and certainly any real consideration of our feed grain surpluses, on the basis of the benefit-to-cost ratio, of the improper authorization of the project, and of the ample opportunity for an effective flood control project in another section of Kansas, affecting the Missouri River basin and affecting the Solomon River, can lead to no other conclusion.

For all these reasons, Mr. President, I hope the amendment will be agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that I may suggest the absence of a quorum and that the call of the roll may be terminated at 10:30 a.m.

The ACTING PRESIDENT pro tempore. Is there objection to the request

by the Senator from Montana? The Chair hears none, and it is so ordered.

The clerk will call the roll.

The legislative clerk preceded to call the roll.

Mr. PELL (when his name was called). Mr. President, on this vote I have a pair with the senior Senator from Kansas [Mr. CARLSON]. If he were present and voting he would vote "nay." If I were at liberty to vote, I would vote "yea." I therefore withhold my vote.

The rollcall was concluded.

Mr. HUMPHREY. I announce that the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH], the Senator from New Jersey [Mr. WILLIAMS], and the Senator from Virginia [Mr. BYRD] are absent on official business.

I further announce that the Senator from New Mexico [Mr. ANDERSON], the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], and the Senator from Arkansas [Mr. FULBRIGHT], are necessarily absent.

On this vote, the Senator from Illinois [Mr. DOUGLAS] is paired with the Senator from Alaska [Mr. GRUENING]. If present and voting, the Senator from Illinois would vote "yea," and the Senator from Alaska would vote "nay."

On this vote, the Senator from Virginia [Mr. BYRD] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Virginia would vote "yea," and the Senator from Rhode Island would vote "nay."

On this vote, the Senator from New Mexico [Mr. CHAVEZ] is paired with the Senator from Pennsylvania [Mr. CLARK]. If present and voting, the Senator from New Mexico would vote "nay," and the Senator from Pennsylvania would vote "yea."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

The Senator from Colorado [Mr. ALLOTT], and the Senator from Maryland [Mr. BEALL] are detained on official business.

If present and voting, the Senator from Colorado [Mr. ALLOTT], the Senator from Maryland [Mr. BEALL], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOT-

TUM], the Senator from Indiana [Mr. CAPEHART], the Senator from Pennsylvania [Mr. SCOTT], and the Senator from Kentucky [Mr. MORTON] would each vote "nay."

The pair of the Senator from Kansas [Mr. CARLSON] has been previously announced.

The result was announced—yeas 17, nays 52, as follows:

[No. 290 Leg.]

YEAS—17

Cannon	Muskie	Tower
Dodd	Proxmire	Wiley
Hart	Robertson	Williams, Del.
Hickenlooper	Russell	Yarborough
McNamara	Sparkman	Young, Ohio
Miller	Thurmond	

NAYS—52

Aiken	Hayden	Metcalf
Bartlett	Holland	Morse
Bible	Hruska	Moss
Boggs	Humphrey	Mundt
Burdick	Jackson	Murphy
Butler	Johnston	Neuberger
Byrd, W. Va.	Jordan, N.C.	Pearson
Carroll	Jordan, Idaho	Prouty
Case	Keating	Randolph
Church	Kefauver	Saltonstall
Cooper	Kuchel	Smathers
Curtis	Long, Mo.	Smith, Maine
Eastland	Long, Hawaii	Stennis
Ellender	Long, La.	Symington
Engle	Mansfield	Talmadge
Ervin	McCarthy	Young, N. Dak.
Fong	McClellan	
Goldwater	McGee	

NOT VOTING—31

Allott	Cotton	Lausche
Anderson	Dirksen	Magnuson
Beall	Douglas	Monroney
Bennett	Fulbright	Morton
Bottum	Gore	Pastore
Bush	Gruening	Pell
Byrd, Va.	Hartke	Scott
Capehart	Hickey	Smith, Mass.
Carlson	Hill	Williams, N.J.
Chavez	Javits	
Clark	Kerr	

So Mr. PROXMIRE's amendment was rejected.

Mr. ELLENDER. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BYRD of West Virginia. Mr. President, this bill contains appropriations that will be highly beneficial to West Virginia. On Saturday, I explained how my State could benefit from the \$500 million included in the bill for the public works acceleration program. But there are specific items of importance. For example, there is \$6 million in construction moneys for the Opeokiska lock and dam on the Monongahela River. The committee has included \$9,750,000 in construction moneys for the Summersville Reservoir. Appropriated for construction of the Belleville locks and dam is \$3,200,000, and \$12,348,250 is being appropriated for construction of the Pike Island locks and dam. The committee is also recommending \$350,000 for construction and \$395,000 in planning moneys for the Racine locks and dam.

As to planning moneys, an item of \$30,000 is in for a project at Buckhannon, the East Lynn Reservoir is being included in the amount of \$100,000, and we have provided \$65,000 for studies in connection with the West Fork, Steer Creek, and Burnsville Reservoirs on the Little Kanawha River.

I asked the committee to include \$300,000 for planning moneys for the Justice Reservoir in Wyoming County, but, in view of the late passage of the bill, the committee felt that \$150,000 would be sufficient to initiate this project, and I am satisfied that we can supply additional moneys early next year as they become needed.

I also offered an amendment to add \$200,000 for a comprehensive survey of the Kanawha River Basin and the committee accepted the amendment. In this connection, the economic growth along the Kanawha, especially in the Charleston complex, is intensifying the urgency for knowing what kinds of installations or improvements are needed, where they are needed in the basin, and how soon they are needed. Congressional authority for a comprehensive study of the Kanawha River Basin already exists in legislation which provides for a review by the U.S. Army engineers of the entire Ohio River Basin. Thus, all that is needed to get the engineers started on the Kanawha Basin is the money.

There is an item of \$100,000 for planning in connection with the Hannibal locks and dam.

Additional moneys in the amount of \$102,000 are included for completion of the Cheat River survey.

Moreover, the Senate, in dealing with flood control studies, has increased the House allowance of \$4,925,500 to \$5,896,900, and I am confident that this will permit the Army Engineers to proceed with either the Meadow River project or the Stonewall Jackson Reservoir project.

In the overall, therefore, my State will be greatly benefited by this appropriation bill, and I am happy, as a member of the Senate Appropriations Committee, to have had an important part in recommending the various projects to the attention of the Public Works Appropriations Subcommittee and its illustrious chairman, Senator ALLEN ELLENDER. I wish to express my gratitude to the chairman and the subcommittee for the consideration that was given to the items I have mentioned. I am also grateful to my other colleagues on the full committee.

Mr. KEFAUVER subsequently said: Mr. President, I am delighted to express my interest and support for the \$725,000 item in the public works appropriation bill for planning and construction on the Tennessee-Tombigbee Waterway, which will be a vital and most beneficial link in water transportation from the Ohio River down the Tennessee and Tombigbee Rivers to the Gulf of Mexico.

I know of no project anywhere in our country which will benefit more people than this waterway, nor any project which will contribute so greatly to the industrial development and progress not only of the member States of Tennessee, Alabama, Mississippi, and Kentucky, but to the development of the entire Southeast. It has been a century and a half since the idea of a navigable waterway connecting the Tennessee River with the Gulf of Mexico was first conceived by the early settlers of the Southeast. The great convenience of such a

route, and the substantial saving in transportation time from the gulf to the Tennessee River was apparent even in those early days. The Federal Government first became interested in the project almost a century ago, and directed the Corps of Engineers to study the proposed waterway and estimate the cost. Various studies by the corps took place from that time until the year 1938, when the corps approved the waterway. Congress authorized the project in 1946. Realizing the tremendous importance of the project in developing the industrial potential of the area, the Governors and Legislatures of Alabama and Mississippi entered into a compact to promote the project which was subsequently ratified by the Congress and approved by the President in 1958. This compact created the Tennessee-Tombigbee Waterway Development Authority, which was joined by Tennessee in 1959 and Kentucky in 1962. Today, with the approval of this appropriation, we are taking a great step toward the time in the near future when this dream of 150 years will become a reality, and this giant waterway will connect the rivers of the Southeast with the midcontinent waterways system. Such a system will bring new flood control advantages, new recreational benefits and, of even greater importance, new opportunities for industrial expansion.

It has been estimated that this system will cost approximately \$280 million and will provide a slack water channel 9 feet deep with a minimum width of 170 feet and a length of 253 miles from the Tennessee River to the Warrior-Tombigbee Rivers in Alabama.

I am confident that this appropriation will be a sound investment in the growing transportation system of our Nation. Not since the early days of TVA has there been such an imaginative, challenging, and promising waterway development project. It is with pride that I recommend approval of the appropriation for the Tennessee-Tombigbee Waterway to the Senate.

The ACTING PRESIDENT pro tempore. The amendment of the Senator from Wisconsin having been acted upon, and the bill having been previously read the third time, no further amendment is in order. The question now is on final passage of the bill.

Mr. MILLER. I ask for the yeas and nays.

The yeas and nays were ordered.

The ACTING PRESIDENT pro tempore. The yeas and nays having been ordered, the clerk will call the roll.

The legislative clerk called the roll.

Mr. HUMPHREY. I announce that the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Pennsylvania [Mr. CLARK], the Senator from Illinois [Mr. DOUGLAS], the Senator from Tennessee [Mr. GORE], the Senator from Indiana [Mr. HARTKE], the Senator from Alabama [Mr. HILL], the Senator from Oklahoma [Mr. KERR], the Senator from Ohio [Mr. LAUSCHE], the Senator from Washington [Mr. MAGNUSON], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Rhode Island [Mr.

PASTORE], the Senator from Massachusetts [Mr. SMITH], and the Senator from New Jersey [Mr. WILLIAMS] are absent on official business.

I further announce that the Senator from Alaska [Mr. GRUENING], the Senator from Wyoming [Mr. HICKEY], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Arkansas [Mr. FULBRIGHT] are necessarily absent.

I further announce that, if present and voting, the Senator from New Mexico [Mr. CHAVEZ], the Senator from Alaska [Mr. GRUENING], the Senator from Indiana [Mr. HARTKE], the Senator from Wyoming [Mr. HICKEY], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH] the Senator from New Jersey [Mr. WILLIAMS], the Senator from Oklahoma [Mr. MONRONEY], and the Senator from Illinois [Mr. DOUGLAS] would each vote "yea."

On this vote, the Senator from New Mexico [Mr. ANDERSON] is paired with the Senator from Virginia [Mr. BYRD]. If present and voting, the Senator from New Mexico would vote "yea," and the Senator from Virginia would vote "nay."

Mr. KUCHEL. I announce that the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTM], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from New Hampshire [Mr. COTTON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] are necessarily absent.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTM], the Senator from Connecticut [Mr. BUSH], the Senator from Indiana [Mr. CAPEHART], the Senator from Kansas [Mr. CARLSON], the Senator from Illinois [Mr. DIRKSEN], the Senator from New York [Mr. JAVITS], the Senator from Kentucky [Mr. MORTON], and the Senator from Pennsylvania [Mr. SCOTT] would each vote "yea."

The result was announced—yeas 64, nays 8, as follows:

[No. 291 Leg.]

YEAS—64

Aiken	Holland	Murphy
Allott	Hruska	Muskie
Bartlett	Humphrey	Neuberger
Beall	Jackson	Pearson
Bible	Johnston	Pell
Boggs	Jordan, N.C.	Prouty
Burdick	Jordan, Idaho	Proxmire
Byrd, W. Va.	Keating	Randolph
Cannon	Kefauver	Russell
Carroll	Kuchel	Saltonstall
Case	Long, Mo.	Smathers
Church	Long, Hawaii	Smith, Maine
Cooper	Long, La.	Sparkman
Curtis	Mansfield	Stennis
Dodd	McCarthy	Symington
Eastland	McClellan	Talmadge
Ellender	McGee	Wiley
Engle	McNamara	Yarborough
Ervin	Metcalf	Young, N. Dak.
Fong	Morse	Young, Ohio
Hart	Moss	
Hayden	Mundt	

NAYS—8

Butler	Miller	Tower
Goldwater	Robertson	Williams, Del.
Hickenlooper	Thurmond	

NOT VOTING—28

Anderson	Dirksen	Lausche
Bennett	Douglas	Magnuson
Bottum	Fulbright	Monroney
Bush	Gore	Morton
Byrd, Va.	Gruening	Pastore
Capehart	Hartke	Scott
Carlson	Hickey	Smith, Mass.
Chavez	Hill	Williams, N.J.
Clark	Javits	
Cotton	Kerr	

So the bill (H.R. 12900) was passed.

Mr. ELLENDER. Mr. President, I move that the vote by which the bill was passed be reconsidered.

Mr. MANSFIELD. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ELLENDER. Mr. President, I move that the Senate insist on its amendments and request a conference with the House of Representatives thereon, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Acting President pro tempore appointed Mr. ELLENDER, Mr. HAYDEN, Mr. RUSSELL, Mr. McCLELLAN, Mr. HILL, Mr. MAGNUSON, Mr. HOLLAND, Mr. KERR, Mr. PASTORE, Mr. HRUSKA, Mr. YOUNG of North Dakota, Mr. MUNDT, and Mrs. SMITH of Maine conferees on the part of the Senate.

Mr. MILLER subsequently said: Mr. President, in explanation of my vote against H.R. 12900, I wish to point out my statements in support of the amendment by the senior Senator from Nebraska [Mr. HRUSKA] and myself which was rejected last Saturday and to the rejection by the Senate of the amendment by the junior Senator from Wisconsin [Mr. PROXMIRE] this morning; and in explanation of my vote for the Proxmire amendment, I ask unanimous consent that there be inserted in the RECORD at this point the portion of the hearings report commencing at page 441 and running through the designated portion on page 442, which clearly sets forth the planned usage of the newly irrigated lands in question for the growing of crops that are presently in surplus.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

GLEN ELDER UNIT, KANSAS

Chairman HAYDEN. The Glen Elder unit, Kansas, will receive its first construction appropriations in fiscal year 1963. For this purpose, \$750,000 is requested. The justification will be placed in the record.

(The justification follows:)

PROJECT DATA SHEET

Location: Missouri River Basin, north central Kansas in Mitchell, Osborne, Cloud, and Ottawa Counties along the Solomon River. The principal city is Beloit.
 Authorization: Flood Control Acts of 1944 and 1946.
 Benefit-cost ratio: 1.18.
 Date: August 1962.
 Land certification: Scheduled for March 1963.
 Definite plan report: Report on dam approved October 1961; distribution system scheduled for June 1964.

Summarized financial data

Total Federal obligations.....	\$58,437,000
Net property and other transfers.....	822,000
Cash advances, non-Federal.....	
Adjustment.....	1,106,000
Total to be allocated.....	59,365,000
Appropriations to June 30, 19—.....	
Appropriations for fiscal year 19—.....	
Appropriations to date.....	
Initial underfinancing, fiscal year 19—.....	
Appropriations required for fiscal year 1963.....	750,000
Balance to complete after fiscal year 1963.....	57,687,000

Allocations

Irrigation.....	\$17,202,400
Power.....	
Municipal and industrial water.....	2,192,400
Flood control.....	40,174,200
Fish and wildlife.....	1,696,000
Recreation.....	100,000

Total..... 59,365,000

Repayment

Amount repaid by irrigators.....	\$3,973,200
Amount repaid by power.....	13,329,200
Amount repaid by municipal and industrial water.....	2,192,400
Nonreimbursable.....	41,870,200

Total..... 59,365,000

Amounts per acre

Irrigators investment per acre.....	\$819
Repayment of investment per acre:	
By irrigators.....	189
By power revenues.....	630
By municipal and industrial water users.....	
Payment capacity per acre.....	10.49

Annual charges:	
Operation and maintenance.....	3.62
Construction.....	4.88

Total..... 8.50

Status of repayment contract: Contract with Glen Elder Irrigation District scheduled for execution July 1965. Contract with city of Beloit, Kans., scheduled for execution August 1962.

Principal features

	Size or capacity	Completion	
		Percent Jan. 1, 1962	Date
Glen Elder Dam and Wacoona Lake.....	976,000 acre-feet.	(3)	After 1968.
Solomon Canal.....	38.0 miles.....		Do.
Solomon laterals.....	21,000 acres.....		Do.
Glen Elder drains.....	do.....		Do.
Permanent operating facilities.....	do.....		Do.
Operation and maintenance housing.....	do.....		June 1967.

Acreage full supply: 21,000.

Supplemental supply: None.

Total acres: 21,000.

Power (kilowatts): None.

Region: 7.

Date: Jan. 31, 1962.

Project and State: MRBP, Glen Elder unit, Kansas.

¹ Includes \$95,000 capitalized operation and maintenance to be financed with operation and maintenance appropriation and \$11,000 interest during construction on municipal water facilities.

² Includes \$11,000 interest during construction on municipal water facilities.

³ Planning funds only.

Agricultural production, present and future: Present and future crops by percent of acreage in irrigable area are:

Crop	Present	Future
Alfalfa.....	6	17
Corn (silage).....	17	17
Oats.....	5	-----
Sorghum (silage).....	6	-----
Sorghum (grain).....	6	66
Wheat.....	60	-----
Total.....	100	100

TRANSACTION OF ROUTINE BUSINESS

By unanimous consent, the following routine business was transacted:

PROPOSED AMENDMENT TO THE BUDGET, 1963, FOR DEPARTMENTS OF AGRICULTURE AND INTERIOR (S. DOC. No. 152)

The ACTING PRESIDENT pro tempore laid before the Senate a commu-

nication from the President of the United States, transmitting an amendment to the budget for the fiscal year 1963, in the amount of \$27,800,000 for the Department of Agriculture, and \$5,774,250 for the Department of the Interior, which, with the accompanying paper, was referred to the Committee on Appropriations, and ordered to be printed.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, without amendment:

H.R. 7791. An act to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes (Rept. No. 2217).

By Mr. JOHNSTON, from the Committee on Post Office and Civil Service, with an amendment:

S. 3631. A bill to amend title 13, United States Code, to preserve the confidential nature of copies of reports filed with the Bureau of the Census on a confidential basis (Rept. No. 2218).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, without amendment:

H.R. 946. An act to extend to oyster planters the benefits of the provisions of the present law which provide for production disaster loans for farmers and stockmen (Rept. No. 2219); and

H.R. 12653. An act to amend the Consolidated Farmers Home Administration Act of 1961 in order to increase the limitation on the amount of loans which may be insured under subtitle A of such act (Rept. No. 2220).

By Mr. JOHNSTON, from the Committee on Agriculture and Forestry, without amendment:

S. 3756. A bill to amend section 309 of the Food and Agriculture Act of 1962 (Rept. No. 2224).

By Mr. PROXMIRE, from the Committee on Agriculture and Forestry, without amendment:

H.R. 12855. An act to amend the Agricultural Adjustment Act of 1938 relating to the lease and transfer of tobacco acreage allotments (Rept. No. 2222).

By Mr. EASTLAND, from the Committee on Agriculture and Forestry, with an amendment:

S. 3370. A bill to authorize the Secretary of Agriculture to relinquish to the State of Wyoming jurisdiction over those lands within the Medicine Bow National Forest known as the Pole Mountain District (Rept. No. 2223).

By Mr. HOLLAND, from the Committee on Agriculture and Forestry, with an amendment:

H.R. 16708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity (Rept. No. 2221).

By Mr. PASTORE, from the Committee on Commerce, without amendment:

H.R. 11732. An act to amend section 305 of the Communications Act of 1934, as amended (Rept. No. 2225).

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.R. 12580. An act making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes (Rept. No. 2226).

By Mr. EASTLAND, from the Committee on the Judiciary, without amendment:

S. 3375. A bill for the relief of George Edward Leonard (Rept. No. 2228);

H.R. 4034. An act for the relief of Lt. Comdr David V. Kyrklund (Rept. No. 2232);

H.R. 6386. An act for the relief of Cleo A. Dekat (Rept. No. 2233);

H.R. 8321. An act for the relief of Maj. Clara May Matthews (Rept. No. 2234);

H.R. 8662. An act for the relief of Jose Fuentes (Rept. No. 2235);

H.R. 9128. An act for the relief of Sgt. Ernest I. Aguilar (Rept. No. 2236);

H.R. 9199. A act for the relief of certain officers and enlisted personnel of the 1202d Civil Affairs Group (Reinf Tng), Fort Hamilton, Brooklyn, N.Y. (Rept. No. 2237);

H.R. 9804. A act for the relief of Cuyahoga County, Ohio (Rept. 2238);

H.R. 9984. An act for the relief of Loretta Shea, deceased, in full settlement of the claims of that estate (Rept. No. 2239);

H.R. 10002. An act for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of certain wages due to a misinterpretation of a Navy civilian personnel instruction (Rept. No. 2240);

H.R. 10026. An act for the relief of Thomas J. Fitzpatrick and Peter D. Power (Rept. No. 2241);

H.R. 10199. An act for the relief of Lester A. Kocher (Rept. No. 2242);

H.R. 10415. An act for the relief of Earl T. Briley (Rept. No. 2243);

H.R. 10423. An act for the relief of Mrs. Dorothy H. Johnson (Rept. No. 2244);

H.R. 11058. An act for the relief of Carl Adams (Rept. No. 2245);

H.R. 11334. An act for the relief of Mary J. Papworth (Rept. No. 2246);

H.R. 11578. An act for the relief of Don C. Jensen and Bruce E. Woolner (Rept. 2247);

H.R. 12090. A act for the relief of James Comeau (Rept. No. 2248);

H.R. 12539. An act for the relief of Leslie O. Cox and other employees of the Federal Aviation Agency (Rept. No. 2249);

H.R. 12701. An act for the relief of Catalina Properties, Inc. (Rept. 2250); and

H.R. 12936. An act for the relief of Kenneth E. Foussé and others (Rept. No. 2251).

By Mr. EASTLAND, from the Committee on the Judiciary, with an amendment:

S. 2450. A bill for the relief of Major C. Todd, Jr., and the estate of Ira T. Todd, Sr. (Rept. No. 2229); and

S. 2451. A bill for the relief of G. W. Todd and the estate of Lloyd Parks (Rept. No. 2230).

By Mr. EASTLAND, from the Committee on the Judiciary, with amendments:

S. 3371. A bill for the relief of Dr. James T. Maddux (Rept. No. 2231).

By Mr. HRUSKA, from the Committee on the Judiciary, with amendments:

S. 2478. A bill to amend section 144 of title 28 of the United States Code (Rept. No. 2227).

By Mr. MANSFIELD, from the Committee on Rules and Administration, without amendment:

S. Res. 399. Resolution to print as a Senate document, with additional copies, a revised edition of a Senate document entitled "New Mexico—Land of Enchantment" (Rept. No. 2255);

S. Res. 406. Resolution providing additional funds for the Committee on the Judiciary (Rept. No. 2252);

S. Res. 410. Resolution authorizing the printing as a Senate document of a revised edition of Senate Document No. 74, 82d Congress, entitled "Equal Rights Amendment" (Rept. No. 2256);

H. Con. Res. 513. Concurrent resolution for printing additional copies of hearings (Rept. No. 2253); and

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes (Rept. No. 2254).

By Mr. MANSFIELD, from the Committee on Rules and Administration, with an amendment:

S. Res. 408. Resolution to print as a Senate document a committee print of a "Report of the National Fuels and Energy Study Group of an Assessment of Available Information on Energy in the United States" (Rept. No. 2257).

H. Con. Res. 574. Concurrent resolution authorizing the printing of a wall map of the United States, and for other purposes (Rept. No. 2254).

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Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development;

Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development; and

John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

EXECUTIVE REPORTS OF COMMITTEE ON ARMED SERVICES

Mr. BEALL. Mr. President, from the Committee on Armed Services, I report favorably 160 promotions and appointments in the Regular Army, in the grade of lieutenant colonel and below. Since these names have already been printed in the CONGRESSIONAL RECORD, in order to save the expense of printing on the Executive Calendar, I ask unanimous consent that they be ordered to lie on the Secretary's desk, for the information of any Senator.

The ACTING PRESIDENT pro tempore. Without objection, the nominations will lie on the desk, as requested by the Senator from Maryland.

The nominations are as follows:

Samuel J. Merrill, for promotion in the Regular Army of the United States; and John G. Benner, and sundry other persons, for appointment in the Regular Army.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HUMPHREY:
S. 3767. A bill for the relief of Spyridon G. Kalimanis;

S. 3768. A bill for the relief of Dr. Luis Galvez;

S. 3769. A bill for the relief of Mrs. Chryssi Kourounis; and

S. 3770. A bill for the relief of Nicolaos Louvaris; to the Committee on the Judiciary.

By Mr. CARLSON:
S. 3771. A bill to amend the Tariff Act of 1930 to impose a duty upon the importation of bread; to the Committee on Finance.

By Mr. WILLIAMS of New Jersey:
S. 3772. A bill for the relief of Nicola Tamorra; to the Committee on the Judiciary.

By Mr. KERR (for Mr. CHAVEZ):
S. 3773. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; placed on the calendar.

(See reference to above bill when reported by Mr. KERR, which appears under the heading "Reports of Committees.")

AMENDMENT OF FOREIGN SERVICE BUILDINGS ACT, 1926—AMENDMENT

Mr. McNAMARA submitted an amendment, intended to be proposed by him to the bill (H.R. 11880) to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes, which was ordered to lie on the table and to be printed.

87TH CONGRESS
2D SESSION

H. R. 12900

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1962

Ordered to be printed with the amendments of the Senate numbered

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the following sums are appropriated, out of any money
4 in the Treasury not otherwise appropriated, for the fiscal
5 year ending June 30, 1963, for certain civil functions admin-
6 istrated by the Department of Defense, certain agencies of
7 the Department of the Interior, the Atomic Energy Com-

1 mission, the Saint Lawrence Seaway Development Corpora-
2 tion, the Tennessee Valley Authority and certain river basin
3 commissions, and for other purposes, namely:

4 TITLE I—DEPARTMENT OF DEFENSE—CIVIL

5 DEPARTMENT OF THE ARMY

6 CEMETERIAL EXPENSES

7 SALARIES AND EXPENSES

8 For necessary cemeterial expenses as authorized by law,
9 including maintenance, operation, and improvement of na-
10 tional cemeteries, and purchase of headstones and markers
11 for unmarked graves; purchase of one passenger motor ve-
12 hicle for replacement only; maintenance of that portion of
13 Congressional Cemetery to which the United States has title,
14 Confederate burial places under the jurisdiction of the De-
15 partment of the Army, and graves used by the Army in
16 commercial cemeteries; \$10,276,000: *Provided*, That this
17 appropriation shall not be used to repair more than
18 a single approach road to any national cemetery: *Pro-*
19 *vided further*, That this appropriation shall not be ob-
20 ligated for construction of a superintendent's lodge or family
21 quarters at a cost per unit in excess of \$17,000, but such
22 limitation may be increased by such additional amounts as
23 may be required to provide office space, public comfort
24 rooms, or space for the storage of Government property
25 within the same structure: *Provided further*, That reim-

bursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, surveys and studies (including cooperative beach erosion studies as authorized in Public Law 520, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, ~~(1)\$16,561,-~~
~~900 \$19,192,300,~~ to remain available until expended: *Provided*, That \$100,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal

1 consideration and be coordinated with other features of
2 water-resource development programs of the Department of
3 the Army.

4 CONSTRUCTION, GENERAL

5 For the prosecution of river and harbor, flood control,
6 shore protection, and related projects authorized by law;
7 and detailed studies, and plans and specifications, of projects
8 (including those for development with participation or under
9 consideration for participation by States, local governments,
10 or private groups) authorized or made eligible for selection
11 by law (but such studies shall not constitute a commitment
12 of the Government to construction); ~~(2)\$762,361,000~~
13 ~~\$807,962,500~~, to remain available until expended: *Provided*,
14 That no part of this appropriation shall be used for projects
15 not authorized by law or which are authorized by law
16 limiting the amount to be appropriated therefor, except
17 as may be within the limits of the amount now or hereafter
18 authorized to be appropriated: *Provided further*, That none
19 of the funds appropriated for "Construction, General", in
20 this Act shall be used on the project "Missouri River, Kansas
21 City to mouth", for any purpose other than bank stabiliza-
22 tion work: *Provided further*, That \$600,000 of this appro-
23 priation shall be transferred to the United States Fish and
24 Wildlife Service for studies, investigations, and reports
25 thereon as required by the Fish and Wildlife Coordination

1 Act of 1958 (72 Stat. 563-565) to provide that wildlife
2 conservation shall receive equal consideration and be coordi-
3 nated with other features of water-resource development
4 programs of the Department of the Army.

5 OPERATION AND MAINTENANCE, GENERAL

6 For expenses necessary for the preservation, operation,
7 maintenance, and care of existing river and harbor, flood
8 control, and related works, including such sums as may be
9 necessary for the maintenance of harbor channels provided
10 by a State, municipality or other public agency, outside of
11 harbor lines, and serving essential needs of general commerce
12 and navigation; financing the United States share of the cost
13 of operation and maintenance of remedial works in the Ni-
14 agara River; activities of the California Debris Commission;
15 administration of laws pertaining to preservation of navigable
16 waters; surveys and charting of northern and northwestern
17 lakes and connecting waters; clearing and straightening
18 channels; removal of obstructions to navigation; and rescue
19 work, and repair, or restoration of flood control projects
20 threatened or destroyed by flood; \$143,539,000, to remain
21 available until expended.

22 GENERAL EXPENSES

23 For expenses necessary for general administration and
24 related functions in the Office of the Chief of Engineers and
25 offices of the Division Engineers; activities of the Board of

1 Engineers for Rivers and Harbors and the Beach Erosion
 2 Board; commercial statistics; and miscellaneous investiga-
 3 tions; \$13,580,000.

4 FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

5 For expenses necessary for prosecuting work of flood
 6 control, and rescue work, repair, restoration, or maintenance
 7 of flood control projects threatened or destroyed by flood,
 8 as authorized by law (33 U.S.C. 702a, 702g-1),
 9 ~~(3)\$70,500,000~~ \$75,954,000, to remain available until ex-
 10 pended(4): *Provided, That funds herein appropriated for*
 11 *planning on Cache River, Arkansas, shall be used to the*
 12 *extent necessary to study the effect of the project on agri-*
 13 *cultural lands along the lower Cache River and along the*
 14 *White River downstream from the confluence to determine*
 15 *whether additional protection should be provided for these*
 16 *lands in connection with the Cache River project and for*
 17 *preparation and submission of a report thereon to the*
 18 *Appropriation Committees.*

19 UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT 20 BOARD OF ENGINEERS

21 For necessary expenses of the United States section of
 22 the Saint Lawrence River Joint Board of Engineers, estab-
 23 lished by Executive Order 10500, dated November 4, 1953,
 24 including services as authorized by section 15 of the Act of
 25 August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100

1 per day for individuals; \$20,000: *Provided*, That no part of
2 these funds shall be obligated until agreement has been
3 entered into, by the United States Government and the
4 United States entity authorized to construct the power works
5 in the International Rapids section of the Saint Lawrence
6 River, providing for the reimbursement of the expenditures
7 of the United States section of this Board by the construction
8 entity.

9 ADMINISTRATIVE PROVISIONS

10 Appropriations in this title shall be available for ex-
11 penses of attendance by military personnel of meetings in
12 the manner authorized by section 19 (b) of the Act of July
13 7, 1958 (72 Stat. 336), uniforms, or allowances therefor,
14 as authorized by the Act of September 1, 1954, as amended
15 (5 U.S.C. 2131), and for printing, either during a recess
16 or session of Congress, of survey reports authorized by law,
17 and such survey reports as may be printed during a recess
18 of Congress shall be printed, with illustrations, as documents
19 of the next succeeding session of Congress; and during the
20 current fiscal year the revolving fund, Corps of Engineers,
21 shall be available for purchase (not to exceed two hun-
22 dred and sixteen, of which one hundred and ninety shall
23 be for replacement only) and hire of passenger motor
24 vehicles.

1 THE PANAMA CANAL
2 CANAL ZONE GOVERNMENT
3 OPERATING EXPENSES

4 For operating expenses necessary for the Canal Zone
5 Government, including operation of the Postal Service of the
6 Canal Zone; hire of passenger motor vehicles; uniforms or
7 allowances therefor, as authorized by the Act of September
8 1, 1954, as amended (5 U.S.C. 2131) ; expenses incident to
9 conducting hearings on the Isthmus; expenses of special
10 training of employees of the Canal Zone Government as
11 authorized by law (2 C.Z. Code, Sec. 85 as added by 63
12 Stat. 602; 5 U.S.C. 2301 et seq.) ; contingencies of the
13 Governor; residence for the Governor; medical aid and sup-
14 port of the insane and of lepers and aid and support of in-
15 digent persons legally within the Canal Zone, including ex-
16 penses of their deportation when practicable; remodeling
17 Army buildings, in the Canal Zone, for temporary use as
18 school classrooms; and payments of not to exceed \$50 in
19 any one case to persons within the Government service who
20 shall furnish blood for transfusions; \$22,772,000.

21 CAPITAL OUTLAY

22 For acquisition of land and land under water and ac-
23 quisition, construction, and replacement of improvements,

1 facilities, structures, and equipment, as authorized by law
2 (2 C.Z. Code, Sec. 3; 2 C.Z. Code, Sec. 16, as added by 63
3 Stat. 600) , including the purchase of not to exceed seven pas-
4 senger motor vehicles for replacement only for police-type use
5 without regard to the general purchase price limitation for
6 the current fiscal year; and expenses incident to the retire-
7 ment of such assets; \$3,120,000, to remain available
8 until expended: *Provided*, That notwithstanding the
9 limitation under this head in the Second Supplemental
10 Appropriation Act, 1961, appropriations for "capital outlay"
11 may be used for expenses related to the construction of
12 quarters for non-U.S. citizen employees at a unit cost not
13 exceeding \$16,500.

14 PANAMA CANAL COMPANY

15 CORPORATION

16 The Panama Canal Company is hereby authorized to
17 make such expenditures within the limits of funds and
18 borrowing authority available to it and in accord with law,
19 and to make such contracts and commitments without regard
20 to fiscal year limitations as provided by section 104 of the
21 Government Corporation Control Act, as amended (31
22 U.S.C. 849) , as may be necessary in carrying out the pro-

1 grams set forth in the budget for the current fiscal year for
2 such corporation, except as hereinafter provided:

3 LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES,
4 PANAMA CANAL COMPANY

5 Not to exceed \$8,113,000 of the funds available to
6 the Panama Canal Company shall be available during the
7 current fiscal year for general and administrative expenses
8 of the Company, which shall be computed on an accrual
9 basis. Funds available to the Panama Canal Company
10 for operating expenses shall be available for the purchase
11 of not to exceed sixteen passenger motor vehicles for re-
12 placement only, and for uniforms or allowances therefor,
13 as authorized by the Act of September 1, 1954, as amended
14 (5 U.S.C. 2131).

15 GENERAL PROVISION—THE PANAMA CANAL

16 The Governor of the Canal Zone is authorized to employ
17 services as authorized by section 15 of the Act of August
18 2, 1946 (5 U.S.C. 55a), in an amount not exceeding
19 \$30,000: *Provided*, That the rates for individuals shall not
20 exceed \$100 per diem.

21 TITLE II—DEPARTMENT OF THE INTERIOR

22 BUREAU OF RECLAMATION

23 For carrying out the functions of the Bureau of Reclama-
24 tion as provided in the Federal reclamation laws (Act of

1 June 17, 1902, 32 Stat. 388, and Acts amendatory thereof
 2 or supplementary thereto) and other Acts applicable to
 3 that Bureau, as follows:

4 GENERAL INVESTIGATIONS

5 For engineering and economic investigations of pro-
 6 posed Federal reclamation and other projects for which the
 7 Secretary may have power marketing responsibilities under
 8 section 5 of the Flood Control Act of 1944 and studies of
 9 water conservation and development plans and activities pre-
 10 liminary to the reconstruction, rehabilitation and betterment,
 11 financial adjustment, or extension of existing projects, in-
 12 cluding not to exceed \$350,000 for investigations of proj-
 13 ects in Alaska, to remain available until expended,
 14 ~~(5)\$7,100,000~~ \$9,420,000, of which ~~(6)\$5,610,000~~ \$8,030,-
 15 000 shall be derived from the reclamation fund and \$500,000
 16 shall be derived from the Colorado River development fund:
 17 *Provided*, That none of this appropriation shall be used for
 18 more than one-half of the cost of an investigation requested
 19 by a State, municipality, or other interest: *Provided further*,
 20 That \$290,000 of this appropriation shall be transferred to
 21 the United States Fish and Wildlife Service for studies,
 22 investigations, and reports thereon as required by the Fish
 23 and Wildlife Coordination Act of 1958 (72 Stat. 563-565).
 24 to provide that wildlife conservation shall receive equal

1 consideration and be coordinated with other features of
2 water-resource development programs of the Bureau of
3 Reclamation.

4 CONSTRUCTION AND REHABILITATION

5 For construction and rehabilitation of authorized recla-
6 mation projects or parts thereof (including power transmis-
7 sion facilities) and for other related activities, as authorized
8 by law, to remain available until expended, ~~(7)~~\$153,077,000
9 \$160,361,000, of which \$75,000,000 shall be derived from
10 the reclamation fund: *Provided*, That no part of this appro-
11 priation shall be used to initiate the construction of
12 transmission facilities within those areas covered by power
13 wheeling service contracts which include provision for
14 service to Federal establishments and preferred cus-
15 tomers, except those transmission facilities for which con-
16 struction funds have been heretofore appropriated, those
17 facilities which are necessary to carry out the terms of such
18 contracts or those facilities for which the Secretary of the
19 Interior finds the wheeling agency is unable or unwilling to
20 provide for the integration of Federal projects or for service
21 to a Federal establishment or preferred customer.

22 OPERATION AND MAINTENANCE

23 For operation and maintenance of reclamation projects
24 or parts thereof and of other facilities, as authorized by law;
25 and for a soil and moisture conservation program on lands

1 under the jurisdiction of the Bureau of Reclamation, pursuant
 2 to law, ~~(8)\$38,150,000~~ \$36,444,600, of which \$31,319,000
 3 shall be derived from the reclamation fund and \$1,481,000
 4 shall be derived from the Colorado River Dam fund:
 5 *Provided*, That funds advanced for operation and mainte-
 6 nance of reclamation projects or parts thereof shall be
 7 deposited to the credit of this appropriation and may be
 8 expended for the same objects and in the same manner as
 9 sums appropriated herein may be expended, and the
 10 unexpended balances of such advances shall be credited to
 11 the appropriation for the next succeeding fiscal year.

12 LOAN PROGRAM

13 For loans to irrigation districts and other public agencies
 14 for construction of distribution systems on authorized Fed-
 15 eral reclamation projects, and for loans and grants to non-
 16 Federal agencies for construction of projects, as authorized
 17 by the Acts of July 4, 1955, as amended (43 U.S.C. 421a-
 18 421d), and August 6, 1956 (43 U.S.C. 422a-422k), as
 19 amended (71 Stat. 48), including expenses necessary for
 20 carrying out the program, ~~(9)\$10,173,000~~ \$12,517,000, to
 21 remain available until expended: *Provided*, That any con-
 22 tract under the Act of July 4, 1955 (69 Stat. 244), as
 23 amended, not yet executed by the Secretary, which calls for
 24 the making of loans beyond the fiscal year in which the con-
 25 tract is entered into shall be made only on the same condi-

1 tions as those prescribed in section 12 of the Act of August
2 4, 1939 (53 Stat. 1187, 1197).

3 EMERGENCY FUND

4 For an additional amount for the "Emergency fund",
5 as authorized by the Act of June 26, 1948 (43 U.S.C. 502),
6 to remain available until expended for the purposes specified
7 in said Act, \$1,000,000, to be derived from the reclamation
8 fund.

9 UPPER COLORADO RIVER STORAGE PROJECT

10 For the Upper Colorado River Storage Project, as au-
11 thorized by the Act of April 11, 1956 (43 U.S.C. 620d), to
12 remain available until expended, ~~(10)\$106,508,000~~ \$109,-
13 576,000, of which ~~(11)\$103,276,000~~ \$105,576,000 shall be
14 available for the "Upper Colorado River Basin Fund" author-
15 ized by section 5 of said Act of April 11, 1956, and
16 ~~(12)\$3,232,000~~ \$4,000,000 shall be available for construction
17 of recreational and fish and wildlife facilities authorized by
18 section 8 thereof, and may be expended by bureaus of the De-
19 partment through or in cooperation with State or other Fed-
20 eral agencies, and advances to such Federal agencies are hereby
21 authorized: *Provided*, That no part of the funds herein appro-
22 priated shall be available for construction or operation of
23 facilities to prevent waters of Lake Powell from entering any
24 National Monument.

GENERAL ADMINISTRATIVE EXPENSES

For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, \$9,300,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377) : *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

SPECIAL FUNDS

Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads "Operation and Maintenance" and "General Administrative Expenses" shall revert and be credited to the special fund from which derived.

1 ADMINISTRATIVE PROVISIONS

2 Appropriations to the Bureau of Reclamation shall be
3 available for purchase of not to exceed seventy-two
4 passenger motor vehicles for replacement only; pur-
5 chase of two aircraft for replacement only; payment of
6 claims for damage to or loss of property, personal injury,
7 or death arising out of activities of the Bureau of Reclama-
8 tion; payment, except as otherwise provided for, of com-
9 pensation and expense of persons on the rolls of the Bureau
10 of Reclamation appointed as authorized by law to represent
11 the United States in the negotiation and administration of
12 interstate compacts without reimbursement or return under
13 the reclamation laws; rewards for information or evidence
14 concerning violations of law involving property under the
15 jurisdiction of the Bureau of Reclamation; performance of
16 the functions specified under the head "Operation and
17 Maintenance Administration", Bureau of Reclamation, in
18 the Interior Department Appropriation Act, 1945; prepara-
19 tion and dissemination of useful information including re-
20 cordings, photographs, and photographic prints; and studies
21 of recreational uses of reservoir areas, and investigation and
22 recovery of archeological and paleontological remains in
23 such areas in the same manner as provided for in the Act of
24 August 21, 1935 (16 U.S.C. 461-467): *Provided*, That
25 no part of any appropriation made herein shall be available

1 pursuant to the Act of April 19, 1945 (43 U.S.C. 377),
2 for expenses other than those incurred on behalf of specific
3 reclamation projects except "General Administrative Ex-
4 penses" and amounts provided for reconnaissance, basin
5 surveys, and general engineering and research under the
6 head "General Investigations".

7 Allotments to the Missouri River Basin project from the
8 appropriation under the head "Construction and Rehabilita-
9 tion" shall be available additionally for said project for those
10 functions of the Bureau of Reclamation provided for under
11 the head "General Investigations" (but this authorization
12 shall not preclude use of the appropriation under said head
13 within that area), and for the continuation of investigations
14 by agencies of the Department on a general plan for the
15 development of the Missouri River Basin. Such allotments
16 may be expended through or in cooperation with State and
17 other Federal agencies, and advances to such agencies are
18 hereby authorized.

19 Sums appropriated herein which are expended in the
20 performance of reimbursable functions of the Bureau of
21 Reclamation shall be returnable to the extent and in the man-
22 ner provided by law.

23 No part of any appropriation for the Bureau of Reclama-
24 tion, contained in this Act or in any prior Act, which repre-

1 sents amounts earned under the terms of a contract but re-
2 maining unpaid, shall be obligated for any other purpose,
3 regardless of when such amounts are to be paid: *Provided*,
4 That the incurring of any obligation prohibited by this para-
5 graph shall be deemed a violation of section 3679 of the
6 Revised Statutes, as amended (31 U.S.C. 665).

7 No funds appropriated to the Bureau of Reclamation for
8 operation and maintenance, except those derived from ad-
9 vances by water users, shall be used for the particular benefit
10 of lands (a) within the boundaries of an irrigation district,
11 (b) of any member of a water users' organization, or (c)
12 of any individual, when such district, organization, or in-
13 dividual is in arrears for more than twelve months in the pay-
14 ment of charges due under a contract entered into with the
15 United States pursuant to laws administered by the Bureau
16 of Reclamation.

17 Not to exceed \$225,000 may be expended from the ap-
18 propriation "Construction and rehabilitation" for work by
19 force account on any one project or Missouri Basin unit and
20 then only when such work is unsuitable for contract or no
21 acceptable bid has been received and, other than otherwise
22 provided in this paragraph or as may be necessary to meet
23 local emergencies, not to exceed 12 per centum of the con-
24 struction allotment for any project from the appropriation
25 "Construction and rehabilitation" contained in this Act shall

1 be available for construction work by force account: *Pro-*
2 *vided*, That this paragraph shall not apply to work performed
3 under the Rehabilitation and Betterment Act of 1949 (63
4 Stat. 724) .

5 (13) *After September 30, 1962, the position of Commissioner*
6 *of Reclamation shall have the annual rate of compensation*
7 *as provided for positions listed in section 2205(a) of title 5,*
8 *United States Code, so long as held by the present incumbent.*

9 BONNEVILLE POWER ADMINISTRATION

10 CONSTRUCTION

11 For construction and acquisition of transmission lines,
12 substations, and appurtenant facilities, as authorized by law,
13 and purchase of one aircraft, \$29,800,000, to remain avail-
14 able until expended.

15 OPERATION AND MAINTENANCE

16 For necessary expenses of operation and maintenance of
17 the Bonneville transmission system and of marketing electric
18 power and energy, \$12,713,000.

19 ADMINISTRATIVE PROVISIONS

20 Appropriations of the Bonneville Power Administra-
21 tion shall be available to carry out all the duties imposed
22 upon the Administrator pursuant to law. Appropriations
23 made herein to the Bonneville Power Administration shall be
24 available in one fund, except that the appropriation herein

1 made for operation and maintenance shall be available only
2 for the service of the current fiscal year.

3 Other than as may be necessary to meet local emer-
4 gencies, not to exceed 12 per centum of the appropriation for
5 construction herein made for the Bonneville Power Adminis-
6 tration shall be available for construction work by force
7 account or on a hired-labor basis.

8 SOUTHEASTERN POWER ADMINISTRATION

9 OPERATION AND MAINTENANCE

10 For necessary expenses of operation and maintenance of
11 power transmission facilities and of marketing electric power
12 and energy pursuant to the provisions of section 5 of the
13 Flood Control Act of 1944 (16 U.S.C. 825s), as applied to
14 the southeastern power area, \$800,000 including purchase of
15 two passenger motor vehicles of which one is for replace-
16 ment only.

17 SOUTHWESTERN POWER ADMINISTRATION

18 CONSTRUCTION

19 For construction and acquisition of transmission lines,
20 substations, and appurtenant facilities, and for administrative
21 expenses connected therewith, in carrying out the provisions
22 of section 5 of the Flood Control Act of 1944 (16 U.S.C.
23 825s), as applied to the southwestern power area, \$7,210,-
24 000, to remain available until expended.

1 OPERATION AND MAINTENANCE

2 For necessary expenses of operation and maintenance
3 of power transmission facilities of marketing electric power
4 and energy pursuant to the provisions of section 5 of the
5 Flood Control Act of 1944 (16 U.S.C. 825s), as applied to
6 the southwestern power area, including purchase of not to
7 exceed four passenger motor vehicles for replacement only,
8 \$1,450,000.

9 CONTINUING FUND

10 Not to exceed \$5,000,000 shall be available during the
11 current fiscal year from the continuing fund for all costs in
12 connection with the purchase of electric power and energy,
13 and rentals for the use of transmission facilities.

14 GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

15 SEC. 201. Appropriations in this title shall be available
16 for expenditure or transfer (within each bureau or office),
17 with the approval of the Secretary, for the emergency recon-
18 struction, replacement or repair of aircraft, buildings, utili-
19 ties, or other facilities or equipment damaged or destroyed
20 by fire, flood, storm, or other unavoidable causes: *Provided*,
21 That no funds shall be made available under this authority
22 until funds specifically made available to the Department of
23 the Interior for emergencies shall have been exhausted.

24 SEC. 202. The Secretary may authorize the expenditure

1 or transfer (within each bureau or office) of any appropria-
2 tion in this title, in addition to the amounts included in the
3 budget programs of the several agencies, for the suppression
4 or emergency prevention of forest or range fires on or threat-
5 ening lands under jurisdiction of the Department of the In-
6 terior.

7 SEC. 203. Appropriations in this title shall be available
8 for operation of warehouses, garages, shops, and similar facil-
9 ities, wherever consolidation of activities will contribute
10 to efficiency or economy, and said appropriations shall be
11 reimbursed for services rendered to any other activity in the
12 same manner as authorized by the Act of June 30, 1932
13 (31 U.S.C. 686) : *Provided*, That reimbursements for cost
14 of supplies, materials and equipment, and for services ren-
15 dered may be credited to the appropriation current at the
16 time such reimbursements are received.

17 SEC. 204. No part of any funds made available by this
18 Act to the Southwestern Power Administration may be made
19 available to any other agency, bureau, or office for any pur-
20 poses other than for services rendered pursuant to law to
21 the Southwestern Power Administration.

1 TITLE III—INDEPENDENT OFFICES

2 ATOMIC ENERGY COMMISSION

3 OPERATING EXPENSES

4 For necessary operating expenses of the Commission in
5 carrying out the purposes of the Atomic Energy Act of 1954,
6 as amended, including the employment of aliens; services
7 authorized by section 15 of the Act of August 2, 1946 (5
8 U.S.C. 55a) ; purchase of equipment; purchase, mainte-
9 nance, and operation of aircraft; publication and dissemination
10 of atomic information; purchase, repair, and cleaning of
11 uniforms; official entertainment expenses (not to exceed
12 \$30,000) ; reimbursement of the General Services Admin-
13 istration for security guard services; purchase (not to exceed
14 seven hundred and forty, of which four hundred and ten
15 are for replacement only) and hire of passenger motor
16 vehicles; ~~(14)\$2,860,974,000~~ \$2,885,391,000, and any
17 moneys (except sums received from disposal of property under
18 the Atomic Energy Community Act of 1955 (42 U.S.C.
19 2301)) received by the Commission, notwithstanding the pro-
20 visions of section 3617 of the Revised Statutes (31
21 U.S.C. 484), to remain available until expended: *Provided,*

1 That of such amount \$100,000 may be expended for objects
2 of a confidential nature and in any such case the certificate
3 of the Commission as to the amount of the expenditure and
4 that it is deemed inadvisable to specify the nature thereof
5 shall be deemed a sufficient voucher for the sum therein
6 expressed to have been expended: *Provided further*, That
7 from this appropriation transfers of sums may be made to
8 other agencies of the Government for the performance of the
9 work for which this appropriation is made, and in such cases
10 the sums so transferred may be merged with the appropria-
11 tion to which transferred: *Provided further*, That no part
12 of this appropriation shall be used in connection with the
13 payment of a fixed fee to any contractor or firm of con-
14 tractors engaged under a cost-plus-a-fixed-fee contract or
15 contracts at any installation of the Commission, where that
16 fee for community management is at a rate in excess of
17 \$90,000 per annum, or for the operation of a transportation
18 system where that fee is at a rate in excess of \$45,000 per
19 annum.

20 PLANT ACQUISITION AND CONSTRUCTION

21 For expenses of the Commission, as authorized by law,
22 in connection with the purchase and construction of plant
23 and other expenses incidental thereto necessary in carrying
24 out the purposes of the Atomic Energy Act of 1954, as
25 amended, including the acquisition or condemnation of any

1 real property or any facility or for plant or facility acqui-
 2 tion, construction, or expansion; and hire of passenger motor
 3 vehicles; ~~(15)\$261,845,000~~ \$267,895,000, to remain avail-
 4 able until expended: *Provided*, That not to exceed
 5 ~~(16)\$4,500,000~~ \$9,000,000 of this appropriation for carrying
 6 out improvement on U.S. Highway 95, Nevada, as authorized
 7 in the Commission's 1963 authorization Act, may be trans-
 8 ferred to the Bureau of Public Roads, Department of Com-
 9 merce.

10 GENERAL PROVISIONS

11 Any appropriation available under this or any other Act
 12 to the Atomic Energy Commission may initially be used
 13 subject to limitations in this Act during the fiscal year
 14 1963 to finance the procurement of materials, services,
 15 or other costs which are a part of work or activities for
 16 which funds have been provided in any other appropria-
 17 tion available to the Commission: *Provided*, That appropri-
 18 ate transfers or adjustments between such appropriations
 19 shall subsequently be made for such costs on the basis of
 20 actual application determined in accordance with generally
 21 accepted accounting principles.

22 Not to exceed 5 per centum of appropriations made
 23 available for the fiscal year 1963 for "Operating expenses"
 24 and "Plant acquisition and construction" may be trans-
 25 ferred between such appropriations, but neither such ap-

1 appropriation, except as otherwise provided herein, shall be
2 increased by more than 5 per centum by any such transfers,
3 and any such transfers shall be reported promptly to the
4 Appropriations Committees of the House and Senate.

5 No part of any appropriation herein shall be used to
6 confer a fellowship on any person who advocates or who is
7 a member of an organization or party that advocates the
8 overthrow of the Government of the United States by force
9 or violence or with respect to whom the Commission finds
10 upon investigation and report by the Civil Service Commis-
11 sion on the character, associations, and loyalty of whom, that
12 reasonable grounds exist for belief that such person is disloyal
13 to the Government of the United States: *Provided*, That any
14 person who advocates or who is a member of an organization
15 or party that advocates the overthrow of the Government of
16 the United States by force or violence and accepts employ-
17 ment or a fellowship the salary, wages, stipend, grant, or
18 expenses for which are paid from any appropriation con-
19 tained herein shall be guilty of a felony and, upon conviction,
20 shall be fined not more than \$1,000 or imprisoned for not
21 more than one year, or both: *Provided further*, That the
22 above penal clause shall be in addition to, and not in substitu-
23 tion for, any other provisions of existing law.

1 SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

2 The Saint Lawrence Seaway Development Corporation
3 is hereby authorized to make such expenditures, within the
4 limits of funds and borrowing authority available to such
5 Corporation, and in accord with law, and to make such con-
6 tracts and commitments without regard to fiscal year limita-
7 tions as provided by section 104 of the Government Cor-
8 poration Control Act, as amended, as may be necessary in
9 carrying out the programs set forth in the budget for the
10 current fiscal year for such Corporation, except as herein-
11 after provided:

12 LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAW-
13 RENCE SEAWAY DEVELOPMENT CORPORATION

14 Not to exceed (17) ~~\$425,000~~ \$414,000 shall be available
15 for administrative expenses which shall be computed on an
16 accrual basis, including not to exceed \$2,000 for official
17 entertainment expenses to be expended upon the approval or
18 authority of the Administrator, purchase of one passenger
19 motor vehicle for replacement only, uniforms or allowances
20 therefor for operation and maintenance personnel, as author-
21 ized by law (5 U.S.C. 2131, and services as authorized by
22 section 15 of the Act of August 2, 1946 (5 U.S.C. 55a),

1 at rates for individuals not to exceed \$100 per day: *Provided*,
2 That not to exceed \$5,000 may be expended for services of
3 individuals employed at rates in excess of \$50 per day.

4 TENNESSEE VALLEY AUTHORITY

5 PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

6 For the purpose of carrying out the provisions of the
7 Tennessee Valley Authority Act of 1933, as amended (16
8 U.S.C., ch. 12A), including hire, maintenance, and opera-
9 tion of aircraft, and purchase (not to exceed one hundred
10 and fifty for replacement only) and hire of passenger motor
11 vehicles, \$35,071,000, to remain available until expended.

12 DELAWARE RIVER BASIN COMMISSION

13 SALARIES AND EXPENSES

14 For expenses necessary to carry out the functions of the
15 United States member of the Delaware River Basin Com-
16 mission, as authorized by law (75 Stat. 716), \$32,000.

17 CONTRIBUTION TO THE DELAWARE RIVER BASIN

18 COMMISSION

19 For payment of the United States share of the current
20 expenses of the Delaware River Basin Commission, as
21 authorized by law (75 Stat. 706, 707), \$80,000.

1 U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

2 SALARIES AND EXPENSES

3 For necessary expenses to carry out the provisions of
 4 the Act approved August 28, 1958 (72 Stat. 1090), in-
 5 cluding services as authorized by the Act of August 2, 1946
 6 (5 U.S.C. 55a), \$552,000 to remain available until Decem-
 7 ber 31, ~~(18) 1962~~ 1963.

8 U.S. STUDY COMMISSION—TEXAS

9 SALARIES AND EXPENSES

10 The appropriation granted under this head in the Public
 11 Works Appropriation Act, 1962, shall remain available until
 12 August 31, 1962.

13 **(19)** *TITLE IV*

14 *FUNDS APPROPRIATED TO THE PRESIDENT*

15 *PUBLIC WORKS ACCELERATION*

16 *For expenses necessary to enable the President to pro-*
 17 *vide for carrying out the purposes of the Public Works*
 18 *Acceleration Act, including services as authorized by section*
 19 *15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at*
 20 *rates for individuals not to exceed \$75 per diem, \$500,-*
 21 *000,000.*

1 TITLE ~~(20)~~~~IV~~ V—GENERAL PROVISIONS

2 DEPARTMENTS, AGENCIES, AND CORPORATIONS

3 SEC. ~~(21)~~~~401~~ 501. Unless otherwise specifically provided,
4 the maximum amount allowable during the current fiscal year
5 in accordance with section 16 of the Act of August 2, 1946
6 (5 U.S.C. 78), for the purchase of any passenger motor
7 vehicle (exclusive of buses and ambulances), is hereby fixed
8 at \$1,500 except station wagons for which the maximum
9 shall be \$1,950.

10 SEC. ~~(22)~~~~402~~ 502. Unless otherwise specified and during
11 the current fiscal year, no part of any appropriation contained
12 in this or any other Act shall be used to pay the compensa-
13 tion of any officer or employee of the Government of the
14 United States (including any agency the majority of the
15 stock of which is owned by the Government of the United
16 States) whose post of duty is in continental United States
17 unless such person (1) is a citizen of the United States, (2)
18 is a person in the service of the United States on the date of
19 enactment of this Act who, being eligible for citizenship, had
20 filed a declaration of intention to become a citizen of the
21 United States prior to such date, (3) is a person who owes
22 allegiance to the United States, or (4) is an alien from
23 Poland or the Baltic countries lawfully admitted to the
24 United States for permanent residence: *Provided*, That for
25 the purpose of this section, an affidavit signed by any such

1 person shall be considered prima facie evidence that the
2 requirements of this section with respect to his status have
3 been complied with: *Provided further*, That any person
4 making a false affidavit shall be guilty of a felony and, upon
5 conviction, shall be fined not more than \$4,000 or imprisoned
6 for not more than one year, or both: *Provided further*, That
7 the above penal clause shall be in addition to, and not in
8 substitution for, any other provisions of existing law: *Pro-*
9 *vided further*, That any payment made to any officer or
10 employee contrary to the provisions of this section shall be
11 recoverable in action by the Federal Government. This
12 section shall not apply to citizens of the Republic of the
13 Philippines or to nationals of those countries allied with the
14 United States in the current defense effort, or to temporary
15 employment of translators, or to temporary employment in
16 the field service (not to exceed sixty days) as a result of
17 emergencies.

18 SEC. ~~(23)~~403 503. Appropriations of the executive de-
19 partments and independent establishments for the current fiscal
20 year, available for expenses of travel or for the expenses of the
21 activity concerned, are hereby made available for quarters
22 allowances and cost-of-living allowances, in accordance with
23 title II of the Act of September 6, 1960 (74 Stat. 793).

24 SEC. ~~(24)~~404 504. No part of any appropriation for the
25 current fiscal year contained in this or any other Act shall be

1 paid to any person for the filling of any position for which he
2 or she has been nominated after the Senate has voted not to
3 approve the nomination of said person.

4 SEC. ~~(25)~~405 505. No part of any appropriation con-
5 tained in this or any other Act for the current fiscal year shall be
6 used to pay in excess of \$4 per volume for the current and fu-
7 ture volumes of the United States Code Annotated, and such
8 volumes shall be purchased on condition and with the under-
9 standing that latest published cumulative annual pocket parts
10 issued prior to the date of purchase shall be furnished free of
11 charge, or in excess of \$4.25 per volume for the current
12 or future volumes of the Lifetime Federal Digest, or in ex-
13 cess of \$6.50 per volume for the current or future volumes
14 of the Modern Federal Practice Digest.

15 SEC. ~~(26)~~406 506. Funds made available by this or any
16 other Act for administrative expenses in the current fiscal year
17 of the corporations and agencies subject to the Government
18 Corporation Control Act, as amended (31 U.S.C. 841),
19 shall be available, in addition to objects for which such funds
20 are otherwise available, for rent in the District of Columbia;
21 services in accordance with section 15 of the Act of August 2,
22 1946 (5 U.S.C. 55a) ; and the objects specified under this
23 head, all the provisions of which shall be applicable to the
24 expenditure of such funds unless otherwise specified in the
25 Act by which they are made available: *Provided*, That in

1 the event any functions budgeted as administrative expenses
2 are subsequently transferred to or paid from other funds,
3 the limitations on administrative expenses shall be corre-
4 spondingly reduced.

5 SEC. (27)407 507. Pursuant to section 1415 of the Act of
6 July 15, 1952 (66 Stat. 662), foreign credits (including
7 currencies) owed to or owned by the United States may be
8 used by Federal agencies for any purpose for which appro-
9 priations are made for the current fiscal year (including the
10 carrying out of Acts requiring or authorizing the use of such
11 credits), only when reimbursement therefor is made to the
12 Treasury from applicable appropriations of the agency con-
13 cerned: *Provided*, That such credits received as exchange
14 allowances or proceeds of sales of personal property may be
15 used in whole or part payment for acquisition of similar items,
16 to the extent and in the manner authorized by law, without
17 reimbursement to the Treasury.

18 This Act may be cited as the "Public Works Appro-
19 priation Act, 1963".

Passed the House of Representatives August 16, 1962.

Attest: RALPH R. ROBERTS,
Clerk.

Passed the Senate with amendments October 1, 1962.

Attest: FELTON M. JOHNSTON,
Secretary.

AN ACT

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, for the fiscal year ending June 30, 1963, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 1, 1962

Ordered to be printed with the amendments of the
Senate numbered

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Oct. 3, 1962

For actions of Oct. 2, 1962

87th-2d, No. 179

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HIGHLIGHTS: House received conference report on agricultural appropriation bill. House received conference report on foreign trade bill. Both Houses agreed to conference report on tax bill. Conferees agreed to file report on pay bill. Senate passed bills to: Amend Food and Agriculture Act re 15-acre wheat exemption for 1963 crop; Increase limitation on FHA loans. Both Houses received and Senate agreed to conference report on school lunch fund apportionment bill. Senate passed foreign aid appropriation bill. Senate committee reported bill for holding World Food Congress.

HOUSE

1. AGRICULTURAL APPROPRIATION BILL, 1963. Received the further conference report on amendments in disagreement on this bill, H. R. 12648 (H. Rept. 2514). All amendments previously reported in disagreement were still reported in disagreement (pp. 20596, 20650). Attached to this Digest is a copy of the conference committee report.
2. APPROPRIATIONS. Conferees were appointed on H. R. 12900, the public works appropriation bill. Senate conferees have already been appointed. p. 20568
The Appropriations Committee was granted permission to file conference reports at any time. p. 20568

3. PUBLIC WORKS. The Rules Committee reported a resolution for the consideration of H. R. 13273, the public works authorization bill. p. 20650
4. PERSONNEL. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of H. R. 7927, providing for postal rate increases and increases in Federal employees' salaries." p. D929
The Post Office and Civil Service Committee reported with amendment H. R. 9531, to amend the law relating to pay for postal employees (H. Rept. 2509). p. 20650
Concurred in the Senate amendment to the House amendment to S. 2697, to amend title 38, U.S.C., to provide an extension of the period within which certain educational programs must be begun and completed in the case of persons called to active duty during the Berlin crisis. This bill will now be sent to the President. p. 20569
Received from Treasury a report of the operations by Federal departments and establishments in connection with the bonding of officers and employees. p. 20650.
5. WATERSHEDS. The Agriculture Committee approved the work plans for the following watersheds: Anasco River, P. R.; Bayou Folse, La.; Bee Creek, Kan.; Big Indian Creek, Neb.; Big Muddy Creek, Ky.; Big Wyacondah, Iowa; Crooked Bayou Ark.; Duncan Creek, S. C.; Nardin Creek, Tenn.; Kaercher Creek, Penn.; Lattas Creek, Ind.; Line Creek, Tenn.; Lower Forest River, N. Dak.; Middle Caney, Kan.; Neshobe River, Vt.; Saltlick Creek, W. Va.; Stucker Fork, Ind.; Upper Bogue Phalia, Miss.; Upper Quaboag River, Mass.; West Fork of Pine River, Ky.; and Silver Creek, Kan. p. 20571
6. TAXATION. Both Houses agreed to the conference report on H. R. 10650, the proposed Revenue Act of 1962. This bill now be sent to the President. See Digest No. 150 for items of interest. pp. 20547-65, 20580-92
7. FOREIGN TRADE. Received the conference report on H. R. 11970, the proposed Trade Expansion Act of 1962 (H. Rept. 2518). pp. 20597-601, 20650
The Ways and Means Committee reported with amendment H. R. 12109, to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty (H. Rept. 2516). p. 20650
8. DRUGS. The "Daily Digest" states that "Conferees, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 1552, proposed Drug Industry Antitrust Act." p. D929
9. LEGISLATIVE PROGRAM. Rep. Albert announced that the following bills will be considered on Wed.: H. R. 13290, the supplemental appropriation bill; H. R. 13273, the public works authorization bill; S. 1123, to extend certain child labor provisions of the Fair Labor Standards Act to children employed in agriculture; and the conference report on H. R. 11665, the school lunch fund apportionment bill. He further announced that the conference report on the proposed Trade Expansion Act of 1962 will be considered on Thurs. p. 20616

SENATE

10. WHEAT. Passed without amendment H. R. 13241, to amend Sec. 309 of the Food and Agriculture Act of 1962 so as to provide that a farm marketing quota on the 1963 crop of wheat shall be applicable to any farm on which acreage of wheat planted exceeds the smaller of 15 acres or the highest number of acres planted to wheat on the farm in calendar years 1959, 1960, 1961, or 1963, (instead of 1959, 1960, or 1961). This bill will now be sent to the President. p. 20492

The motion was agreed to; and the Senate proceeded to consider the bill.

The VICE PRESIDENT. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading and passage of the bill.

The bill (H.R. 11732) was ordered to a third reading, read the third time, and passed.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATION BILL, 1963

Mr. MANSFIELD. Mr. President, I move that the Senate proceed to the consideration of Calendar No. 2188, which is to be the unfinished business.

The VICE PRESIDENT. The bill will be stated by title for the information of the Senate.

The LEGISLATIVE CLERK. A bill (H.R. 12580) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

The VICE PRESIDENT. The question is on agreeing to the motion of the Senator from Montana.

The motion was agreed to; and the Senate proceeded to consider the bill (H.R. 12580), which had been reported from the Committee on Appropriations, with amendments.

ENROLLED BILLS AND JOINT RESOLUTIONS PRESENTED

The Secretary of the Senate reported that on today, October 2, 1962, he pre-

sented to the President of the United States the following enrolled bills and joint resolutions:

S. 699. An act to amend the act entitled "An act to incorporate the Hungarian Reformed Federation of America," approved March 2, 1907, and for other purposes;

S. 3120. An act to amend section 6 of the act of May 29, 1884;

S. 3152. An act to provide for the nutritional enrichment and sanitary packaging of rice prior to its distribution under certain Federal programs, including the national school lunch program;

S. 3156. An act to amend section 142 of title 28, United States Code, with regard to furnishing court quarters and accommodations at places where regular terms of court are authorized to be held, and for other purposes;

S. 3396. An act to amend section 511(h) of the Merchant Marine Act, 1936, as amended, in order to extend the time for commitment of construction reserve funds;

S. 3431. An act to consent to the amendment of the Pacific Marine Fisheries Compact and to the participation of certain additional States in such compact in accordance with the terms of such amendment;

S.J. Res. 211. Joint resolution providing for the establishment of an annual National School Lunch Week; and

S.J. Res. 228. Joint resolution authorizing the issuance of a gold medal to General of the Army Douglas MacArthur.

ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. MANSFIELD. Mr. President, if there is no further business to come before the Senate, I move, according to the previous order, that the Senate stand in adjournment until 10 o'clock tomorrow morning.

The motion was agreed to; and, (at 5 o'clock and 26 minutes p.m.) the Senate adjourned, under the previous order, until tomorrow, Wednesday, October 3, 1962, at 10 o'clock a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate October 2 (legislative day of October 1), 1962:

DIPLOMATIC AND FOREIGN SERVICE

AMBASSADORS

Llewellyn E. Thompson, of Colorado, a Foreign Service officer of the class of career ambassador, to be Ambassador at Large.

W. Waiton Butterworth, of Louisiana, a Foreign Service officer of the class of career ambassador, to be Ambassador Extraordinary and Plenipotentiary of United States of America to Canada.

ORGANIZATION FOR ECONOMIC COOPERATION AND DEVELOPMENT

John M. Leddy, of Virginia, to be the representative of the United States of America to the Organization for Economic Cooperation and Development.

AGENCY FOR INTERNATIONAL DEVELOPMENT

Hollis B. Chenery, of California, to be Assistant Administrator for Program Review and Coordination, Agency for International Development.

Dr. Leona Baumgartner, of New York, to be Assistant Administrator for Human Resources and Social Development, Agency for International Development.

IN THE ARMY

The nominations beginning Samuel J. Merrii to be major, and ending Eugene K. Wilson III to be second lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on September 21, 1962.

House of Representatives

TUESDAY, OCTOBER 2, 1962

The House met at 12 o'clock noon.

The Reverend Maurice D. Ashbury, of the All Saints' Episcopal Church, Frederick, Md., offered the following prayer:

Almightly and most gracious Heavenly Father, we humbly beseech Thee, to pour out Thy spirit upon all flesh, that all men everywhere may dwell together in peace and safety and Thy will be done on earth as it is in heaven. Bless all the people of these United States and especially their Representatives in Congress here assembled. Grant them wisdom and strength to know and to do Thy will. Guide and direct them in all their deliberations to the advancement of the safety, honor, and welfare of all Thy people. Grant that all things may be so ordered and settled by their endeavors, upon the best and surest foundations, that peace and happiness, truth and justice, religion and piety, may be established among us for all generations. These and all other necessities for them and for all people of these United States, we ask humbly in the name of and for the sake of Jesus Christ, our Lord. Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 9342. An act to provide for an exchange of lands between the United States and the Southern Ute Indian Tribe, and for other purposes; and

H.R. 12080. An act to permit domestic banks to pay interest on time deposits of foreign governments at rates differing from those applicable to domestic depositors.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11665) entitled "An act to revise the formula for apportioning cash assistance funds among the States under the National School Lunch Act, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JORDAN of North Carolina, Mr. EASTLAND, Mr. YOUNG of Ohio, and Mr. HART, Mr. HICKENLOOPER, Mr. YOUNG of North Dakota, and Mr. COOPER to be the conferees on the part of the Senate.

PUBLIC WORKS APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

The Chair hears none and appoints the following conferees: Messrs. CANNON, KIRWAN, FOGARTY, JENSEN, and TABER.

CONFERENCE REPORTS

Mr. CANNON. Mr. Speaker, I ask unanimous consent that for the remainder of the session it may be in order for the Committee on Appropriations to file conference reports at any time.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. GROSS. Mr. Speaker, may we have the request restated?

Mr. CANNON. We come in every day and on every bill we ask that we have until midnight to file a report, whether the House is in session or not. This is merely the filing of the report before midnight.

Mr. GROSS. Mr. Speaker, I still did not understand the request of the gentleman from Missouri.

The SPEAKER. The gentleman from Missouri [Mr. CANNON] asks unanimous consent, as the Chair understands the gentleman's request, that the Committee on Appropriations may have permission to file conference reports at any time during the balance of the session.

Mr. GROSS. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

TO AMEND SECTION 641 OF TITLE 38, UNITED STATES CODE

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the

Speaker's desk the bill (H.R. 9737) to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, after line 10, insert a new section, as follows:

"SEC. 2. Section 1712 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(c) Notwithstanding the provisions of subsection (a) of this section, an eligible person may be afforded educational assistance beyond the age limitation applicable to him under such subsection if (1) he suspends pursuit of his program of education after having enrolled in such program within the time period applicable to him under such subsection, (2) he is unable to complete such program after the period of suspension and before attaining the age limitation applicable to him under such subsection, and (3) the Administrator finds that the suspension was due to conditions beyond the control of such persons; but in no event shall educational assistance be afforded such person by reason of this subsection beyond the age limitation applicable to him under subsection (a) of this section plus a period of time equal to the period he was required to suspend the pursuit of his program, or beyond his thirty-first birthday, whichever is earlier."

Amend the title so as to read: "An Act to amend section 641 of title 38, United States Code, to provide that deductions shall not be made from Federal payments to a State home because of amounts collected from the estates of deceased veterans and used for recreational or other purposes not required by State laws, and to amend chapter 35 of such title in order to afford educational assistance in certain cases beyond the age limitations prescribed in such chapter."

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

TO AMEND TITLE 38, UNITED STATES CODE, RELATING TO AWARDS

Mr. TEAGUE of Texas. Mr. Speaker, I ask unanimous consent to take from the

8. LEGISLATIVE ACCOMPLISHMENTS. Sen. Mansfield inserted a summary of significant legislative accomplishments during the 87th Congress, including those in the field of agriculture. pp. 21031-52
9. COFFEE. Received from the President for ratification the International Coffee Agreement for 1962. p. 20930
10. ELECTRIFICATION. Received from the Federal Power Commission a copy of a publication, "Typical Electric Bills, 1962." p. 20930
11. LOANS. Passed without amendment S. 3024, to extend the maximum maturity of Veterans' Administration guaranteed or insured loans from 30 to 35 years. p. 21064
12. INSPECTION; BRIDGES. The Foreign Relations Committee reported with amendments H.R. 683, to authorize the Donna-Rio Bravo Bridge Co. to construct a bridge across the Rio Grande river near Donna, Tex. (S. Rept. 2278). p. 20931
13. HEALTH; VACCINATIONS. Passed without amendment H. R. 10541, the proposed Vaccination Assistance Act of 1962. This bill will now be sent to the President. p. 21011
14. FOREIGN AID. Sen. Proxmire criticized a provision in the foreign aid appropriation bill giving the President discretion to extend aid to Yugoslavia and inserted several items. pp. 21029-30
Sen. Humphrey urged support for Senate amendments increasing appropriations for the foreign aid program. pp. 21081-2
15. WILDLIFE. Passed with amendment H. J. Res. 489, to provide for protection of the golden eagle. pp. 21091-5
16. FARM LABOR. Sen. Humphrey inserted and commended an article praising passage of legislation to provide health clinics and other health service for migratory workers. pp. 21080-1

HOUSE

17. AGRICULTURAL APPROPRIATION BILL, 1963. Acted on amendments in disagreement on this bill, H. R. 12648 (pp. 21136-9). Receded from disagreement to Senate amendment No. 1, deleting provision for acquisition of sites by ARS by donation, exchange, or purchase at a nominal cost not to exceed \$100 (p. 21136). By a vote of 339 to 5, agreed to Senate amendment No. 2 with an amendment providing funds for ARS for research and demonstrations on the production and utilization of agricultural products, home economics, and related research and services (pp. 21136-9). Concurred in Senate amendment No. 6, to delete provision of \$760,000 for ARS for construction of facilities and acquisition of the necessary land therefor by purchase, donation, or exchange (p. 21139). Insisted on disagreement to all other amendments formerly reported in disagreement (p. 21139).
18. FOOD CONGRESS. Passed without amendment S. 3679, authorizing an appropriation to enable the U. S. to extend an invitation to the Food and Agriculture Organization of the U. N. to hold a World Food Congress in the U. S. in 1963. This bill will now be sent to the President. A similar bill, H. R. 13307, was tabled. pp. 21131-2

19. PERSONNEL. Concurred in the Senate amendments to H. R. 8140, to strengthen the criminal laws relating to bribery, graft, and conflicts of interest. This bill will now be sent to the President. pp. 21130-1
20. ELECTRIFICATION. Concurred in the Senate amendment to H. R. 10708, to amend the Rural Electrification Act of 1936, so as to authorize REA to finance communication facilities for the transmission of sounds, signals, pictures, writing, or signs as well as voice. This bill will now be sent to the President. p. 21133
21. SCHOOL LUNCH PROGRAM. By a vote of 257 to 81, agreed to the conference report on H. R. 11665, to amend the National School Lunch Act so as to revise the formula for apportioning cash assistance funds to the States. This bill will now be sent to the President. (See Digest 179 for a summary.) pp. 21155-7
22. PUBLIC WORKS APPROPRIATION BILL, 1963. Received the conference report on this bill, H. R. 12900 (H. Rept. 2531) (pp. 21184-92). As reported from conference, the bill includes \$400,000,000 for the accelerated public works program. The Senate report on this bill includes the following statements:

"The authorizing legislation contains restrictions on the amounts of money that can be received by areas. Specifically, the act provides that at least \$300 million of the \$900 million authorized must be allocated for projects in areas designated under section 5(b) of the Area Redevelopment Act. In keeping with the provisions of the authorizing legislation, the committee desires that the funds appropriated in this act be prorated in accordance with the restrictions in the authorizing legislation."

"The committee notes that a large number of agencies will participate in the program, and in most instances their activity will represent a relatively modest increase in regular programs for which administrative funds have been or will be provided in the regular appropriations for such agencies. In a few cases, it is clear that additional administrative funds will be required. ...

"In view of the fact that the committee was unable to secure from the witnesses a specific program by agencies, it does not feel that it is feasible to establish specific amounts for administrative costs. However, the committee will expect the Bureau of the Budget to review all requests for allocations of administrative funds closely, and to assure that in no case are they in excess of amounts required for additional workload generated by the public works acceleration program, or disproportionately high as compared to the regular administrative costs of the programs increased or accelerated. In no case are these funds to be used merely to circumvent administrative expense limitations established in the various appropriation acts for these agencies."
23. FARM PROGRAM. Rep. Cooley reviewed the legislative accomplishments of the 87th Congress in farm legislation and said, "I have never known a Secretary of Agriculture who was a greater champion of farmers than Orville L. Freeman." pp. 21143-9
24. ASC COMMITTEES. Rep. Wilson, Ind., commended the ASC county committeemen saying, "I know of no more dedicated group of men than the 9,000 county committeemen and the 90,000 community committeemen throughout this Nation who are attempting ... to make democracy work." p. 21223
25. PATENTS. Concurred in the Senate amendments to H. R. 12513, to provide for public notice of settlements in patent interferences. This bill will now be sent to the President. pp. 21132-3

CIVIL FUNCTIONS APPROPRIATION BILL, 1963

OCTOBER 4, 1962.—Ordered to be printed

Mr. CANNON, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 12900]

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12 and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 9, 17, 20, 21, 22, 23, 24, 25, 26 and 27, and agree to the same.

Amendment numbered 1:

That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$17,870,300; and the Senate agree to the same.

Amendment numbered 3:

That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$73,504,000; and the Senate agree to the same.

Amendment numbered 5:

That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$8,400,000; and the Senate agree to the same.

Amendment numbered 6:

That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$7,010,000; and the Senate agree to the same.

Amendment numbered 7:

That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$158,218,000; and the Senate agree to the same.

Amendment numbered 10:

That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$107,808,000; and the Senate agree to the same.

Amendment numbered 11:

That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$104,576,000; and the Senate agree to the same.

Amendment numbered 14:

That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$2,872,224,000; and the Senate agree to the same.

Amendment numbered 15:

That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows:

In lieu of the sum proposed by said amendment insert \$262,745,000; and the Senate agree to the same.

Amendment numbered 19:

That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows:

In lieu of the sum proposed by said amendment insert \$400,000,000; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 13, and 18.

CLARENCE CANNON,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
BEN F. JENSEN (I reserve on title 4),
JOHN TABER (I reserve on title IV
and the \$400,000,000),

Managers on the Part of the House.

ALLEN J. ELLENDER,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
LISTER HILL,
SPESSARD L. HOLLAND,
JOHN O. PASTORE,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
KARL E. MUNDT,
MARGARET CHASE SMITH,
ROBT. S. KERR,

Managers on the Part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE I—DEPARTMENT OF DEFENSE—CIVIL

CORPS OF ENGINEERS—CIVIL

GENERAL INVESTIGATIONS

Amendment No. 1: Appropriates \$17,870,300 instead of \$16,561,900 as proposed by the House and \$19,192,300 as proposed by the Senate. The funds provided are to be distributed as follows:

Item	Revised budget estimate for fiscal year 1963	Conference allowance
GENERAL INVESTIGATIONS		
1. Surveys:		
(a) Navigation studies.....	\$1,600,000	\$2,051,600
(b) Flood control studies.....	4,600,000	5,428,700
(c) Beach erosion cooperative studies.....	250,000	250,000
(d) Special studies:		
San Francisco Bay survey.....	200,000	200,000
Ohio River Basin review.....	600,000	500,000
Potomac River review.....	75,000	75,000
Colorado River, Tex.....	223,000	223,000
Great Lakes water levels.....	85,000	110,000
Rampart Canyon, Alaska.....	315,000	315,000
Arkansas-Red River pollution study.....	177,000	227,000
Lake Erie-Ohio River Canal.....	220,000	220,000
Great Lakes-Hudson River Waterway.....	200,000	200,000
Lake Erie-Ontario Waterway, N.Y.....	200,000	200,000
Susquehanna River Basin.....	300,000	300,000
Jersey Meadows, N.Y. and N.J.....	150,000	150,000
Red River, La., Ark., Okla., and Tex.....	250,000	300,000
Meramec River Basin, Mo.....	215,000	215,000
Pascagoula River Basin, Miss.....	100,000	100,000
Willamette River Basin, Oreg.....	100,000	100,000
Grand River Basin, Mich.....	100,000	100,000
Connecticut River Basin.....	100,000	100,000
Upper Mississippi River Basin.....	200,000	200,000
White River Basin, Ark. and Mo.....	100,000	100,000
Erazos River Basin, Tex.....	100,000	140,000
Hurricane studies.....	945,000	945,000
Coordination studies with other agencies.....	300,000	300,000
Basin planning.....	400,000	-----
Kanawha River Basin, W. Va.....	-----	200,000
Subtotal, surveys.....	12,110,000	13,255,300

Item	Revised budget estimate for fiscal year 1963	Conference allowance
GENERAL INVESTIGATIONS—Continued		
2. Collection and study of basic data:		
(a) Stream gaging (U.S. Geological Survey).....	\$250,000	\$250,000
(b) Precipitation studies (U.S. Weather Bureau).....	380,000	380,000
(c) Fish and wildlife studies (U.S. Fish and Wildlife Service).....	100,000	100,000
(d) International water studies.....	85,000	85,000
(e) Flood plain studies.....	700,000	700,000
Subtotal, collection and study of basic data.....	1,515,000	1,515,000
3. Research and development:		
(a) Beach erosion development studies.....	400,000	400,000
(b) Hydrologic studies.....	175,000	175,000
(c) Civil works in investigations.....	1,550,000	1,300,000
(d) Mississippi Basin model:		
(1) Construction.....	650,000	650,000
(2) Mississippi River comprehensive study.....	200,000	200,000
(e) Nuclear explosives studies for civil construction.....	665,000	500,000
Subtotal, research and development.....	3,640,000	3,225,000
Other reductions and slippages.....		-125,000
Total, general investigations.....	17,265,000	17,870,300

Navigation studies.—The increase above the House figure includes \$233,000 for surveys added by the Senate. None of the funds provided are to be used for the Great Salt Lake, Garfield, Utah, navigation study.

Flood control studies.—The increase of \$503,200 above the House figure is for studies added by the Senate including \$60,000 for the Missouri River, N. Dak., S. Dak., and Nebr., navigation study. None of the funds provided are to be used for the Sac River and Butte Basin, California, study.

Other reductions and slippages.—The reduction of \$125,000 under this heading agreed upon by the conferees is to be applied to the budgeted general investigations program for the North Central Division.

CONSTRUCTION GENERAL

Amendment No. 2: Reported in disagreement. The managers on the part of the House will move to concur in the Senate amendment with an amendment substituting the amount of \$791,580,500 instead of \$762,361,000 as proposed by the House and \$807,962,500 as proposed by the Senate. The conferees are not in agreement as to the \$205,000 budgeted for the Cross Florida Barge Canal. The motion to be made by the managers on the part of the House will exclude this amount.

The funds appropriated under this heading are to be allocated as shown in the following tabulation:

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Alabama:				
Aquatic plant control. (See Louisiana.)				
Claiborne lock and dam.....	\$2,254,000	\$210,000	\$2,179,000	\$210,000
Columbia lock and dam, Alabama and Georgia.....	3,500,000		3,500,000	
Holt lock and dam.....		150,000		150,000
Jones Bluff lock and dam.....	1,000,000		1,000,000	
Millers Ferry lock and dam.....			600,000	
Mobile Harbor.....	350,000		350,000	
Paint Rock River.....				
Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)	8,138,000		8,073,000	
Walter F. George (Port Gaines) lock and dam, Alabama and Georgia.....				
Alaska:				
Bradley Lake.....		1100,000		60,000
Fairbanks.....	760,000		760,000	
Juneau Harbor.....				
Arizona:				
Alamo Reservoir.....		90,000	500,000	90,000
Gila and Salt Rivers.....		1100,000		100,000
Gila River and tributaries—downstream from Painted Rock.....	400,000		400,000	
Tucson.....				
Arkansas:				
Arkansas River and tributaries, Arkansas and Oklahoma:				
(a) Bank stabilization and channel rectification.....	18,000,000	2,000,000	18,000,000	2,000,000
(b) Navigation locks and dams.....				
Beaver Reservoir.....	14,000,000		14,000,000	
Bull Shoals Reservoir, Ark. and Mo., additions of units Nos. 7 and 8.....	2,000,000		2,000,000	
Dardanelle lock and dam.....	16,000,000		16,000,000	
De Queen Reservoir.....		50,000		50,000
De Gray Reservoir.....	950,000		1,550,000	30,000
Dierks Reservoir.....				
Garland City, Red River.....	150,000		150,000	
Gillham Reservoir.....		99,000		99,000
Grears Ferry Reservoir.....	4,900,000		4,832,000	
Millwood Reservoir.....	9,500,000		9,500,000	
Ouachita and Black Rivers, Ark. and La.....		235,000		235,000
Ozark lock and dam.....		300,000		300,000
Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.....	300,000		300,000	
California:				
Alameda Creek.....		1100,000		100,000
Bear Creek.....	400,000		400,000	
Black Butte Reservoir.....	3,529,000		3,529,000	
Camanche Reservoir.....	3,000,000		3,000,000	
Crescent City Harbor (breakwater).....	200,000		200,000	
Drycreek Reservoir channel improvement.....		1100,000		

(FC)	Hidden Reservoir.....	20,000	175,000	20,000	90,000
(BE)	Imperial Beach, San Diego County (reimbursement).....	15,000,000		15,000,000	
(FC)	Los Angeles County drainage area.....	1,705,000		1,705,000	
(N)	Los Angeles and Long Beach Harbors (1960 act).....	1,700,000		1,700,000	
(FC)	Lower San Joaquin River and tributaries.....		90,000		90,000
(N)	Monterey Harbor.....				
(R)	Morro Bay (breakwater).....	800,000		800,000	
(FC)	New Hogan Reservoir.....	4,140,000		4,140,000	
(N)	Noyo River and Harbor mooring basin.....				26,000
(BE)	Oceanside (reimbursement).....	672,000		672,000	
(FC)	Oroville Reservoir.....	15,000,000		14,000,000	
(FC)	Russian River Basin (Coyote Valley Dam).....	1,000,000		1,000,000	
(FC)	Sacramento River bank protection.....	400,000	50,000	150,000	50,000
(FC)	Sacramento River and major and minor tributaries.....	200,000		400,000	
(FC)	Sacramento River, Chico Landing to Red Bluff.....	5,910,000		200,000	
(N)	Sacramento River deep water ship channel.....	1,500,000		5,910,000	
(FC)	Sacramento River flood control project.....	70,000		1,500,000	
(BE)	Santa Cruz County (reimbursement).....	1,520,000		70,000	
(N)	Santa Cruz Harbor.....	322,000		1,520,000	
(FC)	Stewart Canyon debris basin.....			522,000	
(FC)	Tahchevah Creek.....		110,000		110,000
(FC)	Walnut Creek.....		225,000		225,000
(FC)	West Fork Reservoir.....		100,000		100,000
(FC)	Colorado:				
(FC)	Trinidad Reservoir.....		155,000		155,000
(FC)	Connecticut:				
(FC)	Ansonia-Derby.....		1100,000		
(FC)	Black Rock Reservoir.....				50,000
(N)	Bridgeport Harbor, Black Rock Harbor.....		26,000		26,000
(FC)	Colebrook River Reservoir.....		250,000		250,000
(FC)	East Branch Reservoir.....	700,000			
(FC)	Hancock Brook Reservoir.....	400,000		700,000	
(FC)	Hop Brook Reservoir.....			400,000	
(FC)	Mad River Reservoir.....	1,826,000	50,000		50,000
(FC)	Northfield Brook Reservoir.....			1,826,000	
(FC)	Stamford.....		250,000	400,000	
(FC)	West Thompson Reservoir.....		142,000		250,000
(FC)	Delaware:			342,000	
(R)	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging				
(N)	Marcus Hook and Mantau Creek anchorages, Delaware and New Jersey. (See New Jersey.)	750,000		750,000	
(BE)	Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)	5,000,000		5,000,000	
(R)	Indian Inlet (bulkheads).....				
(N)	Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), Part II,	110,000		110,000	
(BE)	Delaware and Maryland.....	500,000		500,000	
(N)	Rehoboth Beach to Indian River Inlet (reimbursement).....				
(N)	Florida:				
(N)	Apalachicola River.....				
(N)	Aquatic plant control. (See Louisiana.)				
(N)	Bakers Haulover Inlet.....				
(N)	Canaveral Harbor.....				
		15,000		25,000	15,000
		180,000			80,000

See footnotes at end of table, p. 18.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Florida—Continued				
(FC) Central and Southern Florida	\$13,500,000	\$205,000	\$13,500,000	
(N) Cross Florida Barge Canal				
(N) Intracoastal Waterway:				
(a) Caloosahatchee River to Anclote River	900,000		900,000	
(b) Jacksonville to Miami	800,000		800,000	
(N) Miami Harbor (1960 act)	400,000		400,000	
(BE) Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	15,000		15,000	
(N) Port Everglades Harbor (1958 act)	677,000		677,000	
(N) St. Marks River	1,200,000		1,200,000	
(N) St. Petersburg Harbor (deferred)		10,000		\$10,000
Georgia:				
Aquatic plant control. (See Louisiana.)				
(MP) Carters Dam	2,500,000		2,500,000	
(MP) Columbia lock and dam, Alabama and Georgia. (See Alabama.)				
(MP) Hartwell Reservoir, Ga. and S.C.	3,700,000		3,649,500	
(MP) Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)				100,000
West Point Dam		†100,000		600,000
Hawaii:				
(N) Hilo Harbor		600,000		
(FC) Waioala Stream	200,000		200,000	
Idaho:				
(MP) Bruce Eddy Reservoir				
(FC) Columbia River local protection: Boise Valley		21,000	2,000,000	21,000
(FC) Ririe Dam		†75,000		75,000
Illinois:				
(FC) Beardstown	900,000	†110,000	900,000	
(N) Calumet Harbor and River, Ill. and Ind.				
(R) Calumet Harbor and River (breakwater), Ill. and Ind.	600,000		600,000	
(N) Calumet Harbor and River, Ill. and Ind.: 29-foot approach channel, 28-foot outer harbor, and 27-foot entrance	1,000,000		1,000,000	
(BA) Calumet River bridge alterations	500,000		500,000	
(FC) Carlyle Reservoir	6,400,000		6,400,000	
(R) Chicago Harbor (breakwater)				
(FC) Clear Creek Drainage and Levee District	70,000	30,000	70,000	30,000
(FC) Clear Lake Special Drainage District				
(N) Dam 27, Mississippi River between St. Louis and lock and dam 28, Illinois and Missouri	858,000		858,000	
(FC) Drury Drainage District	435,000		435,000	
(FC) East St. Louis and vicinity	1,200,000		1,200,000	
(FC) Freeport				
(FC) Henderson County Drainage District No. 1		32,000		50,000
(FC) Henderson County Drainage District No. 2		38,000		32,000
(FC) Hunt Drainage District and Lima Lake Drainage District	150,000		150,000	38,000
(FC) Illinois Waterway, Calumet-Sag Channel, Part I, Illinois and Indiana	9,500,000		9,500,000	

(FO)	Indian Grave Drainage District			50,000		50,000
(N)	Kaskaskia River			†100,000		
(N)	Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.:					
	(a) Regulating works					
	(b) Chain of Rocks					
(FO)	Mount Carmel	2,300,000			2,300,000	
(FO)	New Athens	50,000			50,000	
(FO)	Oakley Reservoir			†75,000		75,000
(FO)	Rochester and McClearys Bluff levee			73,000		73,000
(FO)	Shelbyville Reservoir			†125,000		125,000
(FO)	Sny Island Levee Drainage District	326,000		45,000		45,000
(FO)	South Quincy Drainage and Levee District				326,000	
(FO)	Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Levee and Drainage District	600,000		100,000		100,000
(FO)	The Sny Basin	3,800,000		27,000		27,000
(FO)	Tri Pond levee				3,800,000	
	Indiana:			48,000		48,000
(FO)	Brookville Reservoir					75,000
(N)	Calumet River and Harbor, Ill. and Ind. (See Illinois.)					
(FO)	Cannelton locks and dam, Indiana and Kentucky	2,750,000			2,750,000	
(FO)	Evansville	700,000			700,000	
(FO)	Greenfield Bayou levee (deferred)			10,000		10,000
(FO)	Huntington Reservoir				1,000,000	
(N)	Illinois Waterway, Ill. and Ind. (See Illinois.)					
(FO)	Indiana Harbor, 1960 act	510,000			510,000	
(FO)	Levee unit 5, Wabash River	250,000			350,000	
(FO)	Markland locks and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)					
(FO)	Mason J. Niblack levee	700,000			700,000	
(FO)	McAlpine locks and dam, Indiana and Kentucky. (See Kentucky.)					
(FO)	Mississinewa Reservoir					
(FO)	Monroe Reservoir	1,690,000			1,690,000	
(N)	Newburg lock and dam, Indiana and Kentucky	800,000			800,000	
(FO)	Salamonie Reservoir					
(N)	Uniontown locks and dam, Indiana and Kentucky	1,800,000			1,800,000	
(FO)	West Terre Haule	332,000		200,000		200,000
	Iowa:				332,000	
(FO)	Chariton River, Iowa and Mo.					50,000
(FO)	Coralville Reservoir, Melhaffey Bridge			40,000		40,000
(FO)	Des Moines			40,000		40,000
(FO)	Floyd River and tributaries	3,000,000			3,000,000	
(FO)	Green Bay Levee and Drainage District No. 2	100,000			100,000	
(FO)	Indian Creek			†50,000		50,000
(FO)	Iowa River—Flint Creek Levee District No. 16					
(FO)	Little Sioux River	700,000			700,000	
(FO)	Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska (active units)	500,000			500,000	
(N)	Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska:	2,300,000			3,000,000	
	(a) Sioux City, Iowa, to Omaha, Nebr.					
	(b) Omaha, Nebr., to Kansas City	6,000,000			6,000,000	
	(c) Kansas City to the mouth	400,000			2,400,000	
(FO)	Muscatine Island Levee District and Muscatine-Louisa County Drainage District No. 13	3,000,000			3,000,000	
(FO)	Rathbun Reservoir	150,000			150,000	
(FO)	Red Rock Reservoir	9,800,000		159,000		159,000

See footnotes at end of table, p. 18.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Kansas:				
(FC) Cedar Point Reservoir (deferred)-----	\$3,000,000	\$25,000	\$3,000,000	\$25,000
(FC) Council Grove Reservoir-----		\$50,000		50,000
(FC) Dodge City-----	2,700,000		2,700,000	
(FC) Elk City Reservoir-----	430,000		430,000	
(N) Fort Leavenworth Bridge-----		30,000		30,000
(FC) Fort Scott Reservoir (deferred)-----	825,000		825,000	
(FC) Frankfort-----	9,000,000		9,000,000	
(FC) John Redmond (Strawn) Reservoir-----	1,200,000		1,200,000	
(FC) Kansas City, Kans. and Mo.-----		78,000		78,000
(FC) Lawrence-----	1,050,000		1,050,000	
(FC) Manhattan-----		71,000		71,000
(FC) Marion Reservoir-----		200,000		200,000
(FC) Melvern Reservoir-----	11,600,000		11,600,000	
(FC) Millford Reservoir-----				
(FC) Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
(FC) Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
(FC) Osawatimile-----		40,000		40,000
(FC) Perry Reservoir-----	2,200,000		2,200,000	
(FC) Pomona Reservoir-----	2,200,000	2,200,000	2,200,000	
(FC) Topeka-----	2,632,000		2,632,000	
(FC) Tuttle Creek Reservoir-----	4,400,000		4,400,000	
(FC) Wilson Reservoir-----				
Kentucky:				
(MP) Barkley Dam, Ky., and Tenn.-----	31,200,000		31,147,000	
(FC) Barren River Reservoir-----	10,110,000		10,110,000	
(FC) Cannellton locks and dam, Indiana and Kentucky. (See Indiana.)				
(N) Capt. Anthony Meldahl locks and dam, Kentucky and Ohio-----	10,200,000	75,000	10,172,000	75,000
(FC) Cave Run Reservoir-----	200,000		400,000	
(FC) Corbin-----	6,700,000		6,700,000	
(FC) Fishtrap Reservoir-----				
(FC) Frankfort (deferred)-----		371,000		371,000
(FC) Grayson Reservoir-----				
(FC) Green River Reservoir-----		653,000		653,000
(MP) Laurel River Reservoir-----	7,977,000		7,785,000	
(N) Markland locks and dam, Indiana, Kentucky, and Ohio-----	3,500,000		3,500,000	
(N) McAlpine locks and dam (Louisville), Indiana and Kentucky-----				
(N) Newburgh lock and dam, Indiana and Kentucky. (See Indiana.)				
(FC) Nolli Reservoir-----	2,536,000		2,447,500	
(FC) Uniontown lock and dam, Indiana and Kentucky. (See Indiana.)				
Louisiana:				
(N) Aquatic plant control, Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas-----	940,000		940,000	
(N) Bayou LaFourche and LaFourche Jump Waterway-----	500,000		500,000	

(N)	Bayou Le Carpe.....	2,500,000		1 (45,000)	
(N)	Calcasieu River and Pass (1960 act)			2,500,000	
(N)	Calcasieu River salt water barrier.....				56,000
(FC)	Campiti Clarence levee.....				50,000
(N)	Freshwater Bayou.....	600,000		600,000	
(N)	Mississippi River, Baton Rouge to the Gulf of Mexico.....	2,569,000		2,569,000	
(N)	Mississippi River gulf outlet.....	8,000,000		8,000,000	
(FC)	New Orleans to Venice, La., hurricane protection.....		1265,000		265,000
(N)	Ouachita and Black Rivers, Ark. and La. (See Arkansas.)				
(N)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex. (See Arkansas.)				
Maine:					
(N)	Bass Harbor.....			2 (183,000)	
(N)	Kennebunk River.....				17,000
(N)	Portland Harbor, deepen to 45 ft.....			550,000	
(N)	Portsmouth Harbor and Piscataqua River, N.H., and Maine. (See New Hampshire.)				17,000
(N)	Searsport Harbor.....				
Maryland:					
(N)	Baltimore Harbor and channels (1958 act).....	4,100,000		4,100,000	
(FC)	Bloomington Reservoir.....		1100,000		
(N)	Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal) Part II, Delaware and Maryland. (See Delaware.)				
(N)	Pocomoke River.....	300,000		300,000	
Massachusetts:					
(R)	Cape Cod Canal-Bourne Bridge.....		38,000		38,000
(FC)	Chicopee Falls.....	350,000		350,000	
(FC)	Conant Brook Reservoir.....		160,000		160,000
(FC)	Littletown Reservoir.....	1,900,000		2,200,000	
(FC)	New Bedford-Fairhaven and Acushnet barriers.....	1,200,000		1,200,000	
(N)	Provincetown Harbor.....		15,000		15,000
(FC)	Three Rivers.....		50,000	350,000	
(FC)	Wareham-Marion.....		173,000		73,000
(BE)	Wessagusset Beach (reimbursement).....	23,000		23,000	
(FC)	Westfield.....		120,000		120,000
Michigan:					
(N)	Detroit River channel north of Belle Isle.....			1 (380,000)	
(N)	Detroit River, enlarge Trenton Channel.....	4,000,000		4,000,000	
(N)	Gladstone Harbor Little Bay DeNoc.....			1 (350,000)	
(R)	Grand Haven Harbor (piers and revetment).....	830,000		830,000	
(N)	Great Lakes connecting channels.....	3,200,000		3,200,000	
(N)	Hammond Bay Harbor.....	1,000,000		1,000,000	
(R)	Holland Harbor (piers, revetment, and breakwater).....	300,000		300,000	
(N)	Little Lake Harbor.....	610,000		610,000	
(R)	Ludington Harbor (piers, revetments, and breakwater).....		40,000		40,000
(N)	Manistee Harbor.....	900,000		900,000	
(R)	Manistee Harbor (piers, revetment, and breakwater).....		45,000		45,000
(R)	Marquette Harbor (breakwaters).....	300,000		300,000	
(R)	Marquette Harbor (minor rehabilitation).....	(300,000)		(300,000)	
(R)	Menominee Harbor (piers), Michigan and Wisconsin.....	500,000		500,000	
(R)	Presque Isle Harbor (minor rehabilitation).....	(140,000)		(140,000)	
(FC)	River Rouge.....		150,000		50,000
(N)	Saginaw River.....	1,666,000		1,666,000	

See footnotes at end of table, p. 18.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Michigan—Continued				
Saginaw River	\$300,000	-----	\$300,000	-----
St. Joseph Harbor (piers and revetments)	81,000	-----	81,000	-----
St. Marys River, New Poe lock	750,000	-----	750,000	-----
South Haven Harbor (piers and revetments)	570,000	-----	570,000	-----
Minnesota:				
Duluth-Superior Harbor:				
(a) Inner Harbor 27-foot and 23-foot channels	300,000	-----	300,000	-----
(b) Outer Harbor 32-foot to 27-foot channel	2,580,000	-----	2,580,000	-----
Marshall, Redwood River	750,000	-----	750,000	-----
Reservoirs at headwaters of Mississippi River (Winnibigoshish Dam)	\$30,000	-----	-----	\$30,000
St. Anthony Falls extension	4,430,000	-----	4,430,000	-----
St. Paul and South St. Paul	1,700,000	-----	1,700,000	-----
Mississippi:				
Aquatic plant control. (See Louisiana.)	-----	-----	-----	-----
Jackson and East Jackson	-----	123,000	500,000	-----
Okatibbee Creek Reservoir	-----	-----	-----	150,000
Pascagoula Harbor	-----	-----	1,500,000	-----
Tombigbee River and tributaries	-----	106,000	-----	106,000
Missouri:				
Bull Shoals Reservoir, Units 7 and 8, Arkansas and Missouri. (See Arkansas.)	-----	-----	-----	-----
Canton	200,000	-----	200,000	-----
Cape Girardeau and vicinity	200,000	-----	200,000	-----
Charlton River, Iowa and Missouri. (See Iowa.)	-----	-----	-----	-----
Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri. (See Illinois.)	-----	-----	-----	-----
Gregory Drainage District	-----	-----	-----	50,000
Hannibal	-----	150,000	-----	50,000
Joanna Reservoir	-----	-----	-----	100,000
Kansas Citys, Kans. and Mo. (See Kansas.)	-----	-----	-----	-----
Kaysinger Bluff Reservoir (with power)	-----	-----	-----	267,000
Kaysinger Bluff Reservoir, bigway construction	1,000,000	-----	1,000,000	-----
Mississippi River between the Ohio and Missouri Rivers, Ill., and Mo., regulating works. (See Illinois.)	-----	-----	-----	-----
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)	-----	-----	-----	-----
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)	-----	-----	-----	-----
Perry County Drainage and Levee Districts 1, 2, and 3	180,000	-----	180,000	-----
St. Louis	8,800,000	-----	8,800,000	-----
South River Drainage District	900,000	-----	900,000	-----
Stockton Reservoir	-----	-----	-----	40,000
Union Township Drainage District	-----	-----	-----	-----
Montana:				
Libby Reservoir	-----	2,600,000	-----	2,600,000
(MP)				

Nebraska:				
(FC)	Little Papillion Creek		150,000	50,000
(FC)	Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)			
(FC)	Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)			
(FC)	Norfolk	2,300,000		2,300,000
(FC)	Salt Creek and tributaries			1,100,000
(FC)	Waterloo			
Nevada:				
(FC)	Humboldt River (deferred)		15,000	15,000
(FC)	Las Vegas Wash		100,000	100,000
New Hampshire:				
(FC)	Claremont Reservoir (deferred)		30,000	30,000
(FC)	Hopkinton-Everett Reservoir	2,587,000		2,587,000
(FC)	Portsmouth Harbor and Piscataqua River, N.H. and Maine			100,000
(N)				
New Jersey:				
(BE)	Atlantic City (reimbursement)	129,000		129,000
(BE)	Barneget Light (reimbursement)	62,000		62,000
(R)	Cold Spring Inlet (breakwater)		15,000	15,000
(N)	Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey	4,500,000		4,500,000
(N)	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging			300,000
(N)	Mareus Hook and Mantua Creek anchorages			750,000
(R)	Delaware River, Philadelphia to sea (main dikes) New Jersey, Pennsylvania, and Delaware	750,000		750,000
(BE)	Long Beach Island (reimbursement)	42,000	10,000	42,000
(R)	Manasquan Inlet (bulkheads)		12,000	10,000
(R)	New Jersey Intracoastal Waterway (jetties)			12,000
(BE)	Ocean City (reimbursement)	158,000		158,000
(BE)	Raritan Bay-Sandy Hook Bay			500,000
(BE)	Tocks Island Reservoir, Pa. and N.J.		1200,000	
(NIP)				
New Mexico:				
(FC)	Alamagordo Diversion Channel		350,000	50,000
(FC)	Cochiti Reservoir		200,000	350,000
(FC)	Galisteo Reservoir		150,000	200,000
(FC)	Las Cruces			
(FC)	Socorro	1,500,000		1,500,000
(FC)	Two Rivers Reservoir	1,911,000		1,911,000
(FC)				
New York:				
(FC)	Allegany (deferred)		7,000	7,000
(FC)	Allegheny River Reservoir, N.Y. and Pa. (See Pennsylvania.)			
(N)	Buffalo Harbor:			
	(a) Deepen north entrance, Buffalo River entrance, Buffalo River, Buffalo ship canal.	450,000		450,000
	(b) South entrance, 28', 29', and 30-foot channel (1960 act)	1,000,000		1,000,000
(FC)	Fire Island Inlet to Montauk Point		250,000	250,000
(N)	Flushing Bay and Creek	400,000		1,500,000
(N)	Great Lakes to Hudson River Waterway	473,000		400,000
(R)	Great Sodus Bay (piers)	880,000		473,000
(FC)	Herkimer	5,300,000		880,000
(N)	Hudson River, New York City to Albany		112,000	5,300,000
(FC)	Ithaca (Cayuga Inlet)		78,000	112,000
(FC)	Lackawanna		35,000	78,000
(FC)	Lake Chataqua and Chataquon River			35,000
(N)	New York Harbor 35-foot channel from ocean to bayside	1,537,000		1,537,000

See footnotes at end of table, p. 18.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
New York—Continued				
(N) Rochester Harbor-----	\$900,000		\$900,000	
(BE) Selkirk Shores State Park (reimbursement)-----	40,000		40,000	
(FC) South Amsterdam-----	300,000		300,000	
Tocks Island Reservoir, Pa. and N.J. (see New Jersey).				
North Carolina:				
Aquatic plant control. (See Louisiana.)		\$100,000		\$100,000
(FC) New Hope Reservoir-----	800,000		779,000	
(FC) Wilkesboro Reservoir-----				
North Dakota:				
(FC) Bowman-Haley Reservoir-----	600,000		600,000	180,000
(MP) Garrison Reservoir-----				
Oahe Reservoir, N. Dak. and S. Dak. (See South Dakota.)				
Ohio:				
(N) Ashtabula Harbor (1960 act)-----	1,200,000		1,200,000	
(N) Belleville locks and dam, Ohio and West Virginia-----	3,200,000		3,200,000	250,000
(FC) Big Darby Creek Reservoir-----				75,000
(FC) Buck Creek Reservoir-----				
Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)				
(N) Cleveland Harbor:-----				
(a) Bridge replacements widening, Cuyahoga and Old River and deepening channel in east basin and outer harbor (1958 act)-----	300,000		300,000	
(b) 28-foot approach channel, 27-foot entrance channel, 27-foot river channel, 28 feet in west basin (1960 act)-----				
(R) Cleveland Harbor (breakwater)-----	1,000,000		1,000,000	
(R) Conneaut Harbor (breakwater)-----	253,000		253,000	
(FC) Deer Creek Reservoir-----	265,000		265,000	250,000
(N) Fairport Harbor-----	400,000		400,000	
(N) Hannibal locks and dam, Ohio and West Virginia-----		100,000		100,000
(N) Lorain Harbor (1960 act)-----	3,000,000		3,000,000	
(N) Markland lock and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)				
(FC) Paint Creek Reservoir-----				
(N) Pike Island locks and dam, Ohio and West Virginia-----	12,400,000		12,348,250	250,000
(N) Racine locks and dam, Ohio and West Virginia-----		395,000		395,000
(N) Sandusky Harbor (1960 act)-----	1,800,000		1,800,000	
(N) Sandusky Harbor (east jetty)-----	200,000		200,000	
(R) Shenango River Reservoir, Ohio and Pa. (See Pennsylvania.)				
(N) Toledo Harbor (1950, 1958, and 1960 acts)-----	4,700,000		4,700,000	
(FC) West Branch Reservoir, Mahoning River-----	2,400,000		2,400,000	
Oklahoma:				
Arkansas—Red Rivers salinity control (initial phase), Oklahoma and Texas. (See Texas.)				
Arkansas River and tributaries bank stabilization and channel rectification, Arkansas and Oklahoma. (See Arkansas.)				
Arkansas River and tributaries navigation locks and dam, Arkansas and Oklahoma. (See Arkansas.)				

(FC)	Birch Reservoir.....	3,400,000	3,400,000	20,000
(FC)	Broken Bow Reservoir.....	31,300,000	31,265,000	
(MF)	Eufaula Reservoir.....		75,000	75,000
(FC)	Kaw Reservoir.....	21,000,000	20,990,000	50,000
(FC)	Keystone Reservoir.....	600,000	600,000	531,000
(FC)	Optima Reservoir.....		431,000	325,000
(FC)	Pine Creek Reservoir.....		440,000	
(MP)	Short Mountain lock and dam.....		325,000	
(FC)	Skiatook Reservoir.....			
(FC)	Webbers Falls lock and dam.....			
(N)	Oregon:			
(N)	Columbia and Lower Willamette River below Vancouver, Wash. and Portland, Oreg.: (a) 40-foot channel.....		1100,000	
(N)	(b) 35 feet from mouth of Willamette River to Vancouver.....		130,000	130,000
(N)	Columbia River at the mouth, Oregon and Washington.....			
(R)	Columbia River at the mouth (jetties) Oregon and Washington.....	2,000,000	2,000,000	
(FC)	Columbia River local protection: John Day River.....		20,000	20,000
(N)	Cooks and Millicoma Rivers.....	1,600,000	1,600,000	
(R)	Cooks Bay (south jetty).....	9,100,000	9,079,000	23,000
(R)	Congar Reservoir.....	1,900,000	1,900,000	
(MP)	Fall Creek Reservoir.....	6,100,000	6,100,000	
(FC)	Green Peter Reservoir.....	43,000,000	43,000,000	
(MP)	John Day lock and dam, Oregon and Washington.....			
(MP)	Lower Columbia River bank protection, Oregon and Washington.....			
(FC)	Lower Columbia River improvement to existing works: Beaver Drainage District.....			
(FC)	Shuslaw River (south jetty).....	516,000	516,000	
(R)	Tillamook Bay and Harbor (north jetty).....	720,000	720,000	
(R)	Umpqua River (south jetty).....	500,000	500,000	
(R)	Willamette River Basin bank protection.....	2,160,000	2,160,000	
(FC)	Yaquina Bay and Harbor.....			100,000
(N)	Yaquina Bay and Harbor (jetties).....		30,000	30,000
(R)	Pennsylvania:			
(FC)	Allegheny River Reservoir, Pa. and N.Y.....	24,800,000	24,800,000	100,000
(FC)	Beltzville Reservoir.....	1,300,000	1,300,000	350,000
(FC)	Bethlehem.....			
(FC)	Blanchard Reservoir.....	700,000	700,000	
(FC)	Butler.....	5,000,000	5,000,000	
(FC)	Curwensville Reservoir.....			
(N)	Dam 4, Monongahela River.....			
(N)	Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)			
(N)	Delaware River, Philadelphia Naval Base to Trenton. (See New Jersey.)			
(N)	Erie Harbor (1960 act).....	1,220,000	1,220,000	75,000
(N)	Latrobe.....	7,800,000	7,748,250	
(N)	Maxwell locks and dam, Monongahela River.....	186,000	186,000	
(BE)	Presque Isle Peninsula (reimbursement).....	241,000	241,000	
(FC)	Ridgway.....			
(FC)	Shenango River Reservoir, Ohio and Pa.....	7,600,000	7,600,000	
(FC)	Tioga-Hammond Reservoir.....			100,000

See footnotes at end of table, p. 18.

Construction, general, State and project		Revised budget estimate for fiscal year 1963		Conference allowance	
		Construction	Planning	Construction	Planning
Pennsylvania—Continued					
(FC)	Tocks Island Reservoir, Pa. and N.J. (See New Jersey.)				
(FC)	Turtle Creek	\$1,300,000	\$50,000	\$1,300,000	\$50,000
(FC)	Union City Reservoir				
(N)	Puerto Rico:				
	San Juan Harbor	4,500,000		4,500,000	
(FC)	Rhode Island:				
(FC)	Fox Point harbor	4,000,000		4,000,000	
(FC)	Lower Woonsocket	300,000		300,000	
(R)	Point Judith Harbor (breakwater)	810,000		810,000	
	South Carolina:				
	Aquatic plant control. (See Louisiana.)				
(N)	Charleston Harbor (1945 act)	824,000		824,000	
	Hartwell Reservoir, Ga. and S.C. (See Georgia.)				
	South Dakota:				
(MP)	Big Bend Reservoir	26,000,000	15,000	26,000,000	15,000
(FC)	Cottonwood Springs Reservoirs (deferred)				
(MP)	Fort Randall Reservoir	2,300,000		2,300,000	
(MP)	Oahe Reservoir, S. Dak. and N. Dak.	20,000,000		20,000,000	
	Tennessee:				
(MP)	Barkley Dam, Ky. and Tenn. (See Kentucky.)		309,000	1,000,000	
(MP)	Cordell Hull Dam		404,000	1,000,000	
	J. Percy Priest Reservoir				
	Texas:				
(FC)	Aquatic plant control. (See Louisiana.)				
(N)	Arkansas-Red Rivers salinity control (initial phase), Oklahoma and Texas			300,000	
(FC)	Barbour Cut, La. Porte			(58,500)	
(FC)	Bardwell Reservoir	500,000		500,000	
(FC)	Big Fossil Creek		45,000		45,000
(FC)	Bleders Creek Reservoir, New Braunfels		50,000		50,000
(FC)	Buffalo Bayou and tributaries				
(FC)	Canyon Reservoir	4,800,000		4,800,000	
(FC)	Fort Worth Floodway (Clear Fork)	3,200,000		3,200,000	
(FC)	Fort Worth floodway upstream extension		175,000		75,000
(R)	Galveston Harbor (jeties)		70,000		70,000
(N)	Gulf Intracoastal Waterway: Guadalupe River channel to Victoria	1,500,000		1,500,000	
(N)	Gulf Intracoastal Waterway, Port O'Connor (dikes)	450,000		450,000	
(R)	Houston ship channel:				
	(a) Bend easing and widening to 36-foot depth only		25,000		25,000
	(b) Deepening to 40 feet (phase II)				
(N)	Matagorda ship channel, 38- and 36-foot channels	3,500,000		3,500,000	
(MP)	McGee Bend Dam	948,000		948,000	
(FC)	Navarro Mills Reservoir	4,500,000		4,500,000	
		10,200,000		10,200,000	
		2,080,000		2,005,000	

(N)	Port Aransas-Corpus Christi Waterway: (a) Channel to Viola, 36-foot depth, phase I. (b) Deepening existing project to 40 and 42 feet.	450,000		450,000	
(FC)	Port Arthur—Hurricane protection.		115,000	500,000	115,000
(FC)	Proctor Reservoir.				
(N)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.. (See Arkansas.)	4,630,000		4,630,000	
(FC)	Sabine-Neches Waterway.				
(FC)	San Antonio Channel.	1,500,000		1,500,000	
(FC)	Somerville Reservoir.	1,000,000		1,000,000	
(FC)	Sulphur Hollow Dam.	1,500,000		1,500,000	
(FC)	Texas City.	1,700,000		1,700,000	
(R)	Texas City Channel (dike).	1,300,000		1,300,000	
(FC)	Vince and Little Vince Bayou.		40,000		40,000
(FC)	Waco Reservoir.		750,000		
(FC)	Utah:	15,000,000		15,000,000	
(FC)	Weber River.	250,000		250,000	
(R)	Vermont:	800,000		800,000	
(R)	Burlington Harbor (breakwater)				
(FC)	Virginia:				
(FC)	Gathright Reservoir and Falling Springs rerregulating dam (deferred).		40,000		40,000
(FC)	John W. Flannagan (Pound) Reservoir.	3,200,000		3,200,000	
(FC)	Norfolk.		187,000		87,000
(FC)	North Fork of Pound Reservoir.	500,000		500,000	
(FC)	Washington:				
(FC)	Colfax.	1,200,000		1,200,000	
(N)	Columbia River at the mouth, Oregon and Washington—jetties. (See Oregon.)				
(FC)	Columbia River at the mouth, Oregon and Washington. (See Oregon.)				
(N)	Everett Harbor and Snohomish River.	1,208,000		1,208,000	
(FC)	Howard A. Hanson (Eagle Gorge) Reservoir.	200,000		200,000	
(MP)	John Day lock and dam, Oregon and Washington. (See Oregon.)				
(MP)	Little Goose lock and dam.	1,600,000		1,600,000	
(FC)	Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)				
(FC)	Lower Columbia River improvement to existing works: Cowlitz County Consolidated Diking and Improvement District No. 2.		50,000		50,000
(FC)	Lower Columbia River levees at new locations: Kalama River, south area.				
(MP)	Lower Granite lock and dam.		500,000		10,000
(MP)	Lower Monumental lock and dam.	18,500,000		18,500,000	500,000
(FC)	Pullman.		25,000		25,000
(FC)	Sammamish River.	1,060,000		1,060,000	
(FC)	West Virginia:				
(FC)	Bellville locks and dam, Ohio and West Virginia. (See Ohio.)				
(FC)	Ruckbaun.		330,000		30,000
(FC)	Burnsville Reservoir (deferred).		35,000		65,000
(FC)	East Lynn Reservoir.		100,000		100,000
(N)	Hannibal locks and dam, Ohio and West Virginia. (See Ohio.)				
(N)	Opekska lock and dam.				
(N)	Pike Island locks and dam, Ohio and West Virginia. (See Ohio.)	6,000,000		6,000,000	
(FC)	Racing locks and dam, Ohio and West Virginia. (See Ohio.)				
(FC)	Summersville Reservoir.	9,750,000		9,750,000	

See footnotes at end of table, p. 18.

Construction, general, State and project		Revised budget estimate for fiscal year 1963		Conference allowance	
		Construction	Planning	Construction	Planning
Wisconsin:					
(N)	Ashland Harbor.....	\$340,000	-----	\$340,000	-----
(FC)	Duluth-Superior Harbor, Minnesota and Wisconsin. (See Minnesota.)	-----	-----	-----	-----
(N)	Eau Claire River.....	340,000	-----	340,000	-----
(N)	Green Bay Harbor.....	-----	-----	260,000	-----
(N)	Kenosha Harbor.....	-----	-----	-----	\$15,000
(R)	Menominee Harbor (piers), Michigan and Wisconsin. (See Michigan.)	300,000	-----	300,000	-----
(R)	Milwaukee Harbor (breakwater).....	320,000	-----	320,000	-----
(R)	Sheboygan Harbor (pier and breakwater).....	360,000	-----	360,000	-----
(R)	Sturgeon Bay and Lake Michigan ship canal (revetments).....	-----	-----	-----	-----
Wyoming:					
(FC)	Jackson Hole.....	430,000	-----	430,000	-----
(FC)	Sheridan.....	600,000	-----	600,000	-----
Miscellaneous:					
(FC)	Emergency bank protection.....	200,000	-----	200,000	-----
(FC)	Local protection projects not requiring specific legislation.....	3,000,000	-----	4,000,000	-----
(N)	Small navigation projects not requiring specific legislation (costing up to \$200,000).....	1,500,000	-----	1,500,000	-----
(FC)	Snagging and clearing.....	200,000	-----	200,000	-----
	Projects deferred for restudy.....	-----	(\$217,000)	-----	(272,000)
	Recreation facilities, completed projects.....	4,000,000	-----	4,150,000	-----
	Small authorized projects.....	1,500,000	-----	3,000,000	-----
	Fish and wildlife studies (U.S. Fish and Wildlife Service).....	600,000	-----	600,000	-----
(R)	Minor rehabilitation projects (costing up to \$400,000).....	2,500,000	-----	2,500,000	-----
	Employees compensation.....	22,000	-----	22,000	-----
	Reduction for anticipated savings and slippages.....	-60,000,000	-----	-70,000,000	-----
	Grand total, construction, general.....	761,045,000 (780,645,000)	19,600,000 (791,580,000)	772,086,500 (791,580,500)	19,494,000

† Eligible for selection under lump-sum appropriation for small authorized projects.

‡ Eligible for selection under small navigation program not requiring specific legislation.

† Submitted in S. Doc. 135.

Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska (active units).—The increase above the budget includes funds for initiating construction on units L-601, L-594, R-345-330, and L-351, and planning for unit L-15.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

Amendment No. 3: Appropriates \$73,504,000 instead of \$70,500,000 as proposed by the House and \$75,954,000 as proposed by the Senate. Funds provided are to be distributed as follows:

Projects	Budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
1. General investigations:				
(a) Examinations and surveys.....	\$42,500		\$62,500	
(b) Collection and study of basic data....	82,500		82,500	
Subtotal, general investigations....	125,000		145,000	
2. Construction and planning:				
Mississippi River levees.....	\$2,200,000		2,600,000	
Channel improvement.....	25,500,000		26,500,000	
Memphis Harbor.....	800,000		800,000	
Greenville Harbor.....	1,530,000		1,530,000	
Old River control.....	4,200,000		4,174,000	
St. Francis Basin.....	3,900,000		3,900,000	\$60,000
Lower White River.....	850,000		850,000	
Cache Basin.....		\$100,000		100,000
West Tennessee tributaries.....	600,000		600,000	
Wolf River and tributaries.....	100,000		100,000	
Lower Arkansas.....	500,000		550,000	
Tensas Basin:				
Boeuf and Tensas Rivers, etc.....	1,740,000		1,740,000	
Red River backwater.....	35,000		35,000	
Yazoo Basin:				
Sardis Reservoir.....	30,000		30,000	
Enid Reservoir.....	53,000		53,000	
Arabutla Reservoir.....	30,000		30,000	
Grenada Reservoir.....	37,000		37,000	
Greenwood.....	700,000		700,000	
Main stem.....	2,050,000		2,050,000	
Tributaries.....	660,000		660,000	
Big Sunflower River, etc.....	1,200,000		1,200,000	
Yazoo backwater.....	900,000		900,000	
Atchafalaya Basin.....	4,900,000		4,900,000	
Lake Pontchartrain.....	760,000		760,000	
Subtotal, construction and planning....	53,275,000	100,000	54,699,000	160,000
Reduction for anticipated savings and slippages.....	-1,500,000		-1,500,000	
Total, construction and planning.....	51,775,000	100,000	53,199,000	160,000
3. Maintenance.....	18,500,000		20,000,000	
Grand total.....	70,500,000		73,504,000	

Amendment No. 4: Reported in disagreement. The managers will move to recede and concur with language inserted in the bill by the Senate concerning the use of funds provided for the Cache River, Ark.

TITLE II—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

GENERAL INVESTIGATIONS

Amendments Nos. 5 and 6: Appropriate \$8,400,000 instead of \$7,100,000 as proposed by the House and \$9,420,000 as proposed by the Senate, and provide that \$7,010,000 of the amount shall be de-

rived from the reclamation fund instead of \$5,610,000 as proposed by the House and \$8,030,000 as proposed by the Senate. The amount provided includes funds for Central Arizona, \$500,000; Passamaquoddy, \$200,000; Maxwell, Ariz., \$60,000; Ouray unit, Central Utah, \$30,000; delivery of Colorado water to Mexico, \$285,000; and up to \$100,000 for weather modification research. No funds have been provided for the Pendleton, Oreg., project, and the Senate increase proposed for the Sonora-Keystone, Calif., project has been disallowed.

CONSTRUCTION AND REHABILITATION

Amendment No. 7: Appropriates \$158,218,000 instead of \$153,077,000 as proposed by the House and \$160,361,000 as proposed by the Senate. The funds provided under this heading are to be distributed as follows:

Project	Budget estimate	Conference allowance
Advance planning.....	\$1,705,000	\$1,030,000
Gila project, Arizona.....	3,000,000	2,000,000
Colorado river front work and levee system, Arizona-California.....	250,000	550,000
Central Valley project, California.....	47,401,000	47,401,000
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation, Idaho.....	519,000	519,000
Wichita project, Cheney division, Kansas.....	7,100,000	7,100,000
Washoe project, Nevada-California.....	198,315	198,315
Pio Grande project, New Mexico.....		80,000
Norman project, Oklahoma.....	7,500,000	7,500,000
Rogue river Basin, Talent division, Oregon.....	439,000	439,000
The Dalles project, Western division, Oregon.....	1,025,000	1,025,000
Vale project, Bully Creek extension, Oregon.....	1,765,000	1,765,000
Klamath project, Oregon-California.....	515,000	515,000
Canadian River project, Texas.....	10,000,000	10,000,000
Lower Rio Grande rehabilitation project, La Feria division, Texas.....	1,500,000	1,500,000
Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	1,940,000	1,940,000
San Angelo project, Texas.....	2,770,000	2,600,000
Weber Basin project, Utah.....	10,138,000	10,138,000
Chief Joseph Dam project, Greater Wenatchee division, Washington.....	2,133,000	2,136,000
Columbia Basin project, Washington.....	4,569,000	4,569,000
Drainage and minor construction.....	3,956,054	3,956,054
Rehabilitation and betterment of existing projects.....	5,346,000	5,346,000
Subtotal.....	114,172,369	112,797,339
Missouri River Basin project:		
Ainsworth unit, Nebraska.....	5,800,000	5,800,000
Almena unit, Kansas.....	4,826,000	4,826,000
Cedar Bluff unit, Kansas.....	906,000	906,000
East Bench unit, Montana.....	5,620,000	5,620,000
Farwell unit, Nebraska.....	6,800,000	6,800,000
Frenchman-Cambridge division, Nebraska.....	1,714,000	1,714,000
Glen Elmer unit, Kansas.....	750,000	750,000
Oahe unit, James section, South Dakota.....	220,000	220,000
Transmission division.....	14,449,000	14,379,000
Yellowtail unit, Montana-Wyoming.....	12,150,000	12,150,000
Drainage and minor construction.....	1,795,631	1,820,631
Investigations.....	1,488,000	1,143,000
Advance planning.....	1,284,000	1,234,000
Subtotal, Missouri River Basin project.....	57,802,631	57,412,631
Other Department of the Interior agencies.....	3,240,000	3,008,000
Total, Missouri River Basin project.....	61,042,631	60,420,631
Subtotal, construction and rehabilitation.....	175,215,000	173,218,000
Undistributed reduction based on anticipated delays.....	-13,515,000	-15,000,000
Total, construction and rehabilitation.....	161,700,000	158,218,000

Advance planning.—The increase above the House figure includes funds for: Fryingpan-Arkansas, \$500,000; Arbuckle, Okla., \$350,000; and Washoe, Nev., \$50,000.

Missouri River Basin project, transmission division.—The conferees on the part of both Houses are in agreement that the Bureau shall proceed immediately with the budget program for Federal construction of the Creston, Iowa-Fairport, Mo., transmission line.

Missouri River Basin project, investigations.—The amount provided includes funds for Turner and Clay Counties, S. Dak., \$20,000; Cannonball division, Montana, \$20,000; and Musselshell River, Mont., \$25,000. The conferees are in agreement on the Senate reduction of \$77,000 in the funds for the Northeast Montana Division.

OPERATION AND MAINTENANCE

Amendment No. 8: Appropriates \$36,444,600 as proposed by the Senate instead of \$38,150,000 as proposed by the House.

LOAN PROGRAM

Amendment No. 9: Appropriates \$12,517,000 as proposed by the Senate instead of \$10,173,000 as proposed by the House.

UPPER COLORADO RIVER STORAGE PROJECT

Amendments Nos. 10, 11, and 12: Appropriate \$107,808,000 instead of \$106,508,000 as proposed by the House and \$109,576,000 as proposed by the Senate, provide that \$104,576,000 instead of \$103,276,000 as proposed by the House and \$105,576,000 as proposed by the Senate shall be available for the Upper Colorado River Basin fund, and provide that \$3,232,000 as proposed by the House instead of \$4,000,000 as proposed by the Senate shall be available for construction of recreational and fish and wildlife facilities.

The increase above the House figure includes \$550,000 for San Juan-Chama and restoration of \$750,000 of the House reduction for slippage. Of the funds available for the Seedskadee, Wyo., project, \$95,000 shall be available for the Lincoln County, Wyo., road between U.S. Highway 189 and the Bureau of Reclamation community at Fontenelle.

ADMINISTRATIVE PROVISIONS

Amendment No. 13: Reported in disagreement.

TITLE III—INDEPENDENT OFFICES

ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

Amendment No. 14: Appropriates \$2,872,224,000 instead of \$2,860,974,000 as proposed by the House and \$2,885,391,000 as proposed by the Senate.

The increase above the House figure includes the following: \$3,000,000 for the cooperative power reactor demonstration program; \$2,000,000 for the advanced space power system portion of the satel-

lite and small power sources program; \$5,000,000 for the physical research program; \$500,000 for the food irradiation programs, and \$750,000 for program direction and administration.

PLANT ACQUISITION AND CONSTRUCTION

Amendments Nos. 15 and 16: Appropriate \$262,745,000 instead of \$261,845,000 as proposed by the House and \$267,895,000 as proposed by the Senate, and provide that \$4,500,000 as proposed by the House instead of \$9,000,000 as proposed by the Senate be used for improvement on U.S. Highway 95, Nevada.

The increase above the House figure includes \$250,000 for the Argonne National Laboratory cafeteria, and \$650,000 for food irradiators.

The conferees direct that \$4,500,000 of funds available to the National Aeronautics and Space Administration be transferred to the Bureau of Public Roads for construction of U.S. Highway 95, Nevada.

ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

LIMITATION ON ADMINISTRATIVE EXPENSES, ST. LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Amendment No. 17: Limits administrative expenses to \$414,000 as proposed by the Senate, instead of \$425,000 as proposed by the House.

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

SALARIES AND EXPENSES

Amendment No. 18: Reported in disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, making funds under this heading available until December 31, 1963, instead of December 31, 1962.

TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT

PUBLIC WORKS ACCELERATION

Amendment No. 19: Inserts heading and language as proposed by the Senate and appropriates \$400,000,000 instead of \$500,000,000 as proposed by the Senate.

The managers on the part of the House endorse the Senate report statements on the accelerated public works program.

In addition the conferees on the part of both Houses direct that emphasis be placed on community facilities projects requiring local matching funds such as water and sewer systems, public buildings and hospitals, streets and sidewalks.

The conferees on the part of both Houses direct also that no funds are to be made available for all-Federal research laboratories of the type normally requiring separate item review and approval of the Congress in the regular appropriation processes, or for all-Federal projects of any other type costing more than \$400,000.

These conditions are being applied pending a budgetary presentation identifying specific projects for the remainder of the program.

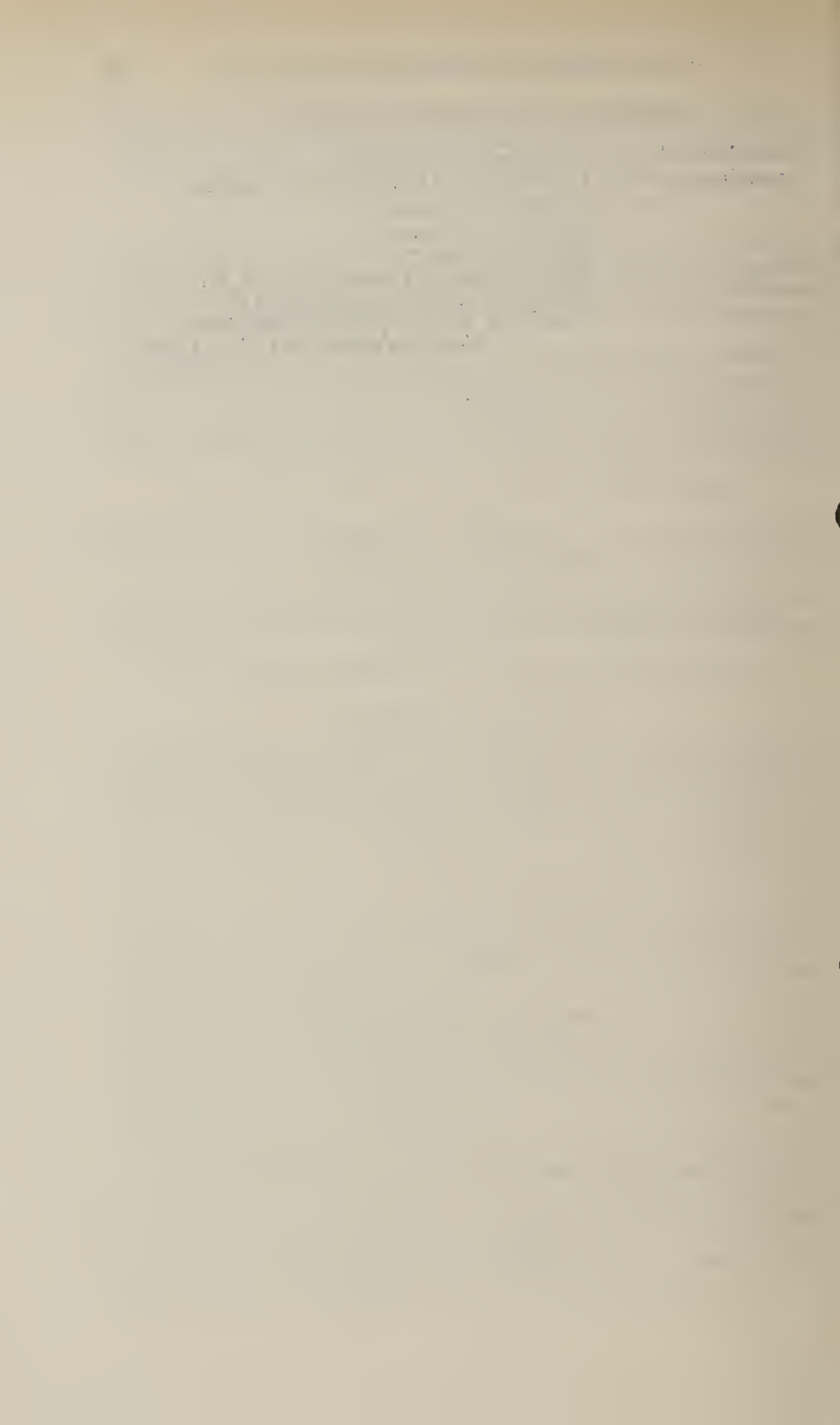
TITLE V—GENERAL PROVISIONS

Amendment No. 20: Changes title number.

Amendments Nos. 21 through 27: Change section numbers.

CLARENCE CANNON,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
BEN F. JENSEN (I reserve on title 4),
JOHN TABER (I reserve on title IV
and the \$400,000,000 appropriation),
Managers on the Part of the House.





their children out of school, to pick crops in Santa Clara County, the parents are dependent upon what those children will earn as part of the family income to survive for the entire winter and so that they can stay off the relief rolls. This applies not to just one or two or half a dozen families. This has to do with hundreds of families. If you insist upon telling these children that they cannot work, a substantial part of that family's income is gone. What will happen to the children? The parents have to work. This is the way they make their living. They cannot quit. They cannot let the children go hungry. The children will have to stay at home or stay in the labor camp. They will be unattended and not properly fed and they will be running around dirty and catching cold and catching disease because they cannot be with their parents who can take care of them down in the orchard. Now another thing is going to happen if you insist on this. These children will not be able to contribute to the family income and the family is not going to be able to pick the prunes. So they are going to go someplace else. When that happens, the crops are not going to go to waste because you know full well that the farmer is going to go to the Department of Labor and he will be certified for the use of braceros or Mexican nationals.

Those of you who oppose the use of Mexican braceros will find you will be having hundreds and thousands of them coming in to take these jobs.

All I am asking you to do—and I offer this in all sincerity, because if this amendment should carry I will vote for this bill—all I am asking you to do is to say that a parent has the right to decide whether his child shall work in agricultural labor or not. We have laws to keep parents from abusing children, just laws. We have humane societies, and State and county laws to keep children from being abused. Let them work, and let these children work with their families.

Mr. O'HARA of Michigan. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to; accordingly the Committee rose, and the Speaker having resumed the chair, Mr. SANTANGELO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee having had under consideration the bill (S. 1123) to amend the Fair Labor Standards Act of 1938 to extend the child labor provisions thereof to certain children employed in agriculture, and for other purposes, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate, by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 9285. An act for the relief of Helenita K. Stephenson;

H.R. 10541. An act to assist States and communities to carry out intensive vaccination programs designed to protect their populations, particularly all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus; and

H.R. 12313. An act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12599. An act relating to the income tax treatment of terminal railroad corporations and their shareholders.

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 12135. An act to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes.

The message also announced that the Senate insists upon its amendments to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. McNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed, with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 13273. An act authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes.

The message further announced that the Senate insists upon its amendment to the foregoing bill, requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. KERR, Mr. McNAMARA, Mr. RANDOLPH, Mr. COOPER, and Mr. FONG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S.J. Res. 234. Joint resolution making continuing appropriations for the Department of Agriculture and the Farm Credit Administration for the fiscal year 1963.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10129) entitled "An act to amend the Act of September 7, 1957, relating to aircraft loan guarantees."

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 11970) entitled "An act to promote the general welfare, foreign policy, and security of the United States through international trade agreements and through adjustment assistance to domestic industry, agriculture, and labor, and for other purposes."

The message also announced that the Senate further insists upon its amendment to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JOHNSTON, Mr. MONROE, and Mr. CARLSON to be the conferees on the part of the Senate.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) entitled "An act to adjust postal rates, and for other purposes."

HIGHWAY CONSTRUCTION APPROPRIATIONS, 1963

Mr. FALLON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 12135) to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes, with Senate amendments thereto, disagree to the amendments of the Senate and agree to the conference requested by the Senate.

The Clerk read the title of the bill.

Mr. HALLECK. Mr. Speaker, reserving the right to object, and I shall not if I am correctly informed. What bill is this?

The SPEAKER. This is the highway bill.

Mr. HALLECK. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

The Chair hears none and appoints the following conferees: Messrs. FALLON, PUCINSKI, JONES of Alabama, CRAMER, and BALDWIN.

DEPARTMENT OF DEFENSE AND
RELATED AGENCIES APPROPRIA-
TION BILL, 1963

Mr. CANNON submitted the following conference report and statement on the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions:

CONFERENCE REPORT (H. REPT. No. 2531)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, and 16.

That the House recede from its disagreement to the amendments of the Senate numbered 8, 9, 17, 20, 21, 22, 23, 24, 25, 26, and 27, and agree to the same.

Amendment numbered 1: That the House recede from its disagreement to the amendment of the Senate numbered 1, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$17,870,300"; and the Senate agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$73,504,000"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$8,400,000"; and the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$7,010,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$158,218,000"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$107,808,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$104,576,000"; and the Senate agree to the same.

Amendment numbered 14: That the House recede from its disagreement to the amendment of the Senate numbered 14, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$2,872,224,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$262,745,000"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amend-

ment insert "\$400,000,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 2, 4, 13, and 18.

CLARENCE CANNON
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
BEN F. JENSEN (I re-
serve on title IV),
JOHN TABER (I reserve
on title IV and the
\$400,000,000),

Managers on the Part of the House.

ALLEN J. ELLENDER,
CARL HAYDEN,
RICHARD B. RUSSELL,
JOHN L. MCCLELLAN,
LISTER HILL,
SPESSARD L. HOLLAND,
ROBERT S. KERR,
JOHN O. PASTORE,
ROMAN L. HRUSKA,
MILTON R. YOUNG,
KARL E. MUNDT,
MARGARET CHASE SMITH,

Managers on the Part of the Senate.

STATEMENT

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate on the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon and recommended in the accompanying conference report as to each of such amendments, namely:

TITLE 1—DEPARTMENT OF DEFENSE—CIVIL

Corps of Engineers—Civil

General Investigations

Amendment No. 1: Appropriates \$17,870,300 instead of \$16,561,900 as proposed by the House and \$19,192,300 as proposed by the Senate. The funds provided are to be distributed as follows:

Item	Revised budget estimate for fiscal year 1963	Conference allowance	Item	Revised budget estimate for fiscal year 1963	Conference allowance
GENERAL INVESTIGATIONS			GENERAL INVESTIGATIONS—Continued		
1. Surveys:			1. Surveys—Continued		
(a) Navigation studies.....	\$1,600,000	\$2,051,600	(d) Special studies—Continued		
(b) Flood control studies.....	4,600,000	5,428,700	Kanawha River Basin, W. Va.....		\$200,000
(c) Beach erosion cooperative studies.....	250,000	250,000			
(d) Special studies:			Subtotal, surveys.....	\$12,110,000	13,255,300
San Francisco Bay survey.....	200,000	200,000			
Ohio River Basin review.....	600,000	500,000	2. Collection and study of basic data:		
Potomac River review.....	75,000	75,000	(a) Stream gaging (U.S. Geological Survey).....	250,000	250,000
Colorado River, Tex.....	228,000	228,000	(b) Precipitation studies (U.S. Weather Bureau).....	380,000	380,000
Great Lakes water levels.....	85,000	110,000	(c) Fish and wildlife studies (U.S. Fish and Wildlife Service).....	100,000	100,000
Rampart Canyon, Alaska.....	315,000	315,000	(d) International water studies.....	85,000	85,000
Arkansas-Red River pollution study.....	177,000	227,000	(e) Flood plain studies.....	700,000	700,000
Lake Erie-Ohio River Canal.....	220,000	220,000			
Great Lakes-Hudson River Waterway.....	200,000	200,000	Subtotal, collection and study of basic data.....	1,515,000	1,515,000
Lake Erie-Ontario Waterway, N.Y.....	200,000	200,000			
Susquehanna River Basin.....	300,000	300,000	3. Research and development:		
Jersey Meadows, N.Y. and N.J.....	150,000	150,000	(a) Beach erosion development studies.....	400,000	400,000
Red River, La., Ark., Okla., and Tex.....	250,000	300,000	(b) Hydrologic studies.....	175,000	175,000
Meramec River Basin, Mo.....	215,000	215,000	(c) Civil works investigations.....	1,550,000	1,300,000
Pascagoula River Basin, Miss.....	100,000	100,000	(d) Mississippi Basin model:		
Williamette River Basin, Ore.....	100,000	100,000	(1) Construction.....	650,000	650,000
Grand River Basin, Mich.....	100,000	100,000	(2) Mississippi River comprehensive study.....	200,000	200,000
Connecticut River Basin.....	100,000	100,000	(e) Nuclear explosives studies for civil construction.....	665,000	500,000
Upper Mississippi River Basin.....	200,000	200,000			
White River Basin, Ark. and Mo.....	100,000	100,000	Subtotal, research and development.....	3,640,000	3,225,000
Brazos River Basin, Tex.....	100,000	140,000	Other reductions and slippages.....		-125,000
Hurricane studies.....	945,000	945,000			
Coordination studies with other agencies.....	300,000	300,000	Total, general investigations.....	17,265,000	17,870,300
Basin planning.....	400,000				

Navigation studies: The increase above the House figure includes \$233,000 for surveys added by the Senate. None of the funds provided are to be used for the Great Salt Lake, Garfield, Utah, navigation study.

Flood control studies: The increase of \$503,200 above the House figure is for studies added by the Senate including \$60,000 for the Missouri River, N. Dak., S. Dak., and Nebr., navigation study. None of the funds provided are to be used for the Sac River and Butte Basin, Calif., study.

Other reductions and slippages: The reduction of \$125,000 under this heading agreed upon by the conferees is to be applied to the budgeted general investigations program for the north central division.

Construction General

Amendment No. 2—Reported in disagreement: The managers on the part of the House will move to concur in the Senate amendment with an amendment substituting the amount of \$791,580,500 instead of \$762,-

361,000 as proposed by the House and \$807,962,500 as proposed by the Senate. The conferees are not in agreement as to the \$205,000 budgeted for the Cross Florida Barge Canal. The motion to be made by the managers on the part of the House will exclude this amount.

The funds appropriated under this heading are to be allocated as shown in the following tabulation:

Construction, general, State and project		Revised budget estimate for fiscal year 1963		Conference allowance	
		Construction	Planning	Construction	Planning
Alabama:					
(N)	Aquatic plant control. (See Louisiana.)				
(N)	Claiborne lock and dam		\$210,000		\$210,000
(N)	Columbia lock and dam, Alabama and Georgia	\$2,254,000		\$2,179,000	
(N)	Iolt lock and dam	3,500,000		3,500,000	
(MP)	Jones Bluff lock and dam		150,000		150,000
(MP)	Millers Ferry lock and dam	1,000,000		1,000,000	
(N)	Mobile Harbor			600,000	
(FC)	Paint Rock River	350,000		350,000	
	Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)				
(MP)	Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia	8,138,000		8,073,000	
Alaska:					
(MP)	Bradley Lake		†100,000		
(FC)	Fairbanks		60,000		60,000
(N)	Juneau Harbor	760,000		760,000	
Arizona:					
(FC)	Alamo Reservoir			500,000	
(FC)	Gila and Salt Rivers		90,000		90,000
(FC)	Gila River and tributaries—downstream from Painted Rock		†100,000		100,000
(FC)	Tucson	400,000		400,000	
Arkansas:					
(N)	Arkansas River and tributaries, Arkansas and Oklahoma:				
	(a) Bank stabilization and channel rectification	18,000,000		13,000,000	
	(b) Navigation locks and dams		2,000,000	300,000	2,000,000
(MP)	Beaver Reservoir	14,000,000		14,000,000	
(MP)	Bull Shoals Reservoir, Ark. and Mo., additions of units Nos. 7 and 8	2,000,000		2,000,000	
(MP)	Dardanelle lock and dam	16,000,000		16,000,000	
(FC)	De Queen Reservoir		50,000		50,000
(MP)	DeGray Reservoir	950,000		1,550,000	
(FC)	Dierks Reservoir				30,000
(FC)	Garland City, Red River	150,000		150,000	
(FC)	Gillham Reservoir		99,000	350,000	99,000
(MP)	Greers Ferry Reservoir	4,900,000		4,832,000	
(FC)	Millwood Reservoir	9,500,000		9,500,000	
(N)	Ouachita and Black Rivers, Ark. and La.		235,000	165,000	235,000
(N)	Ozark lock and dam		300,000		300,000
(FC)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	300,000		300,000	
California:					
(FC)	Alameda Creek		†100,000		100,000
(FC)	Bear Creek	400,000		400,000	
(FC)	Black Butte Reservoir	3,529,000		3,529,000	
(FC)	Camanche Reservoir	3,000,000		3,000,000	
(R)	Crescent City Harbor (breakwater)	200,000		200,000	
(FC)	Drycreek Reservoir channel improvement		†100,000		
(FC)	Hidden Reservoir		†75,000		
(BE)	Imperial Beach, San Diego County (reimbursement)	20,000		20,000	
(FC)	Los Angeles County drainage area	15,000,000		15,000,000	
(N)	Los Angeles and Long Beach Harbors (1960 act)			1,705,000	
(FC)	Lower San Joaquin River and tributaries	1,700,000		1,700,000	
(N)	Monterey Harbor		90,000		90,000
(R)	Morro Bay (breakwater)	800,000		800,000	
(FC)	New Hogan Reservoir	4,140,000		4,140,000	
(N)	Noyo River and Harbor Mooring Basin				26,000
(BE)	Oceanside (reimbursement)	672,000		672,000	
(FC)	Oroville Reservoir	15,000,000		14,000,000	
(FC)	Russlan River Basin (Coyote Valley Dam)	1,000,000		1,000,000	
(FC)	Sacramento River bank protection		50,000	150,000	50,000
(FC)	Sacramento River and major and minor tributaries	400,000		400,000	
(FC)	Sacramento River, Chico Landing to Red Bluff	200,000		200,000	
(N)	Sacramento River deep water ship channel	5,910,000		5,910,000	
(FC)	Sacramento River flood control project	1,500,000		1,500,000	
(BE)	Santa Cruz County (reimbursement)	70,000		70,000	
(N)	Santa Cruz Harbor	1,520,000		1,520,000	
(FC)	Stewart Canyon debris basin	522,000		522,000	
(FC)	Tahchevah Creek		110,000		110,000
(FC)	Walnut Creek		225,000		225,000
(FC)	West Fork Reservoir		100,000		100,000
Colorado:					
(FC)	Trinidad Reservoir		155,000		155,000
Connecticut:					
(FC)	Ansonia-Derby		†100,000		
(FC)	Black Rock Reservoir				50,000
(N)	Bridgeport Harbor, Black Rock Harbor		26,000		26,000
(FC)	Colebrook River Reservoir		250,000		250,000
(FC)	East Branch Reservoir	700,000		700,000	
(FC)	Hancock Brook Reservoir	400,000		400,000	
(FC)	Hop Brook Reservoir		50,000		50,000
(FC)	Mad River Reservoir	1,826,000		1,826,000	
(FC)	Northfield Brook Reservoir			400,000	
(FC)	Stamford		250,000		250,000
(FC)	West Thompson Reservoir		142,000	342,000	
Delaware:					
	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging Marcus Hook and Mantau Creek anchorages, Delaware and New Jersey. (See New Jersey.)				
	Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)				
(R)	Indian River Inlet (bulkheads)	750,000		750,000	
(N)	Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake & Delaware Canal), part II, Delaware and Maryland.	5,000,000		5,000,000	
(BE)	Rehoboth Beach to Indian River Inlet (reimbursement)	110,000		110,000	

Footnotes at end of table.

Construction, general, State and project		Revised budget estimate for fiscal year 1963		Conference allowance	
		Construction	Planning	Construction	Planning
Florida:					
(N)	Apalachicola River	\$500,000		\$500,000	
(N)	Aquatic plant control. (See Louisiana.)				
(N)	Bakers Hanover Inlet		\$15,000	25,000	\$15,000
(N)	Canaveral Harbor		\$80,000		80,000
(FC)	Central and Southern Florida	13,500,000		13,500,000	
(N)	Cross Florida Barge Canal		205,000		
(N)	Intracoastal Waterway:				
	(a) Caloosahatchee River to Anclote River	900,000		900,000	
	(b) Jacksonville to Miami	800,000		800,000	
(N)	Miami Harbor (1960 act)	400,000		400,000	
(BE)	Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	15,000		15,000	
(N)	Port Everglades Harbor (1958 act)	677,000		677,000	
(N)	St. Marks River	1,200,000		1,200,000	
(N)	St. Petersburg Harbor (deferred)		10,000		10,000
Georgia:					
(MP)	Aquatic plant control. (See Louisiana.)				
(MP)	Carters Dam	2,500,000		2,500,000	
(MP)	Columbia lock and dam, Alabama and Georgia. (See Alabama.)				
(MP)	Hartwell Reservoir, Ga. and S.C.	3,700,000		3,649,500	
(MP)	Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)				
(MP)	West Point Dam		\$100,000		100,000
Hawaii:					
(N)	Hilo Harbor		600,000		600,000
(FC)	Wailoa Stream	200,000		200,000	
Idaho:					
(MP)	Brunes Eddy Reservoir				
(FC)	Columbia River local protection:				
	Boise Valley		21,000		21,000
(FC)	Ririe Dam		\$75,000		75,000
Illinois:					
(FC)	Beardstown	900,000		900,000	
(N)	Calumet Harbor and River, Ind. and Ill.		\$110,000		
(R)	Calumet Harbor and River (breakwater), Ill. and Ind.	600,000		600,000	
(N)	Calumet Harbor and River, Ill. and Ind.:				
	29-foot approach channel, 28-foot outer harbor, and 27-foot entrance	1,000,000		1,000,000	
(BA)	Calumet River bridge alterations	500,000		500,000	
(FC)	Carlyle Reservoir	6,400,000		6,400,000	
(R)	Chicago Harbor (breakwater)		30,000		30,000
(FC)	Clear Creek Drainage and Levee District	70,000		70,000	
(FC)	Clear Lake Special Drainage District				40,000
(N)	Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri	858,000		858,000	
(FC)	Drury Drainage District	435,000		435,000	
(FC)	East St. Louis and vicinity	1,200,000		1,200,000	
(FC)	Freeport				50,000
(FC)	Henderson County Drainage District No. 1		32,000		32,000
(FC)	Henderson County Drainage District No. 2		38,000		38,000
(FC)	Hunt Drainage District and Lima Lake Drainage District	150,000		150,000	
(N)	Illinois Waterway, Calumet-Sag Channel, Part I, Illinois and Indiana	9,500,000		9,500,000	
(FC)	Indian Grave Drainage District	50,000		50,000	
(N)	Kaskaskia River		\$100,000		
(N)	Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.:				
	(a) Regulating works	2,300,000		2,300,000	
	(b) Chain of Rocks	50,000		50,000	
(FC)	Mount Carmel		\$75,000		75,000
(FC)	New Athens		73,000		73,000
(FC)	Oakley Reservoir		\$125,000		125,000
(FC)	Rochester and McClearys Bluff levee		45,000		45,000
(FC)	Shelbyville Reservoir	326,000		326,000	
(FC)	Sny Island Levee Drainage District		100,000		100,000
(FC)	South Quincy Drainage and Levee District		27,000		27,000
(FC)	Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Levee and Drainage District	600,000		600,000	
(FC)	The Sny Basin	3,800,000		3,800,000	
(FC)	Tri Pond levee		48,000		48,000
Indiana:					
(FC)	Brookville Reservoir				75,000
(N)	Calumet River and Harbor, Ill. and Ind. (See Illinois.)				
(FC)	Cannelton locks and dam, Indiana and Kentucky	2,750,000		2,750,000	
(FC)	Evansville	700,000		700,000	
(FC)	Greenfield Bayou levee (deferred)		10,000		10,000
(FC)	Huntington Reservoir			1,000,000	
(N)	Illinois Waterway, Ill. and Ind. (See Illinois.)				
(N)	Indiana Harbor, 1960 act	510,000		510,000	
(FC)	Levee unit 5, Wabash River	250,000		350,000	
(FC)	Markland locks and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)				
(FC)	Mason J. Niblack levee	700,000		700,000	
(FC)	McAlpine locks and dam, Indiana and Kentucky. (See Kentucky.)				
(FC)	Mississinewa Reservoir	1,690,000		1,690,000	
(FC)	Monroe Reservoir	800,000		800,000	
(N)	Newburg lock and dam, Indiana and Kentucky				150,000
(FC)	Salamonle Reservoir	1,800,000		1,800,000	
(N)	Uniontown locks and dam, Indiana and Kentucky		200,000		200,000
(FC)	West Terre Haute	332,000		332,000	
Iowa:					
(FC)	Chariton River, Iowa and Missouri				50,000
(FC)	Coralville Reservoir, Melhaffey Bridge		40,000		40,000
(FC)	Des Moines		40,000		40,000
(FC)	Floyd River and tributaries	3,000,000		3,000,000	
(FC)	Green Bay Levee and Drainage District No. 2	100,000		100,000	
(FC)	Indian Creek		\$50,000		50,000
(FC)	Iowa River—Flood Creek Levee District No. 16	700,000		700,000	
(FC)	Little Sioux River	500,000		500,000	
(FC)	Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska (active units)	2,300,000		3,000,000	
(N)	Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska:				
	(a) Sioux City, Iowa, to Omaha, Nebr.	6,000,000		6,000,000	
	(b) Omaha, Nebr., to Kansas City	2,400,000		2,400,000	
	(c) Kansas City to the mouth	3,000,000		3,000,000	
(FC)	Muscataine Island Levee District and Muscatine-Louisa County Drainage District No. 13	150,000		150,000	
(FC)	Rathbun Reservoir		159,000		159,000
(FC)	Red Rock Reservoir	9,800,000		9,800,000	
Kansas:					
(FC)	Cedar Point Reservoir (deferred)		25,000		25,000
(FC)	Council Grove Reservoir	3,000,000		3,000,000	
(FC)	Dodge City		\$50,000		50,000
(FC)	Elk City Reservoir	2,700,000		2,700,000	
(N)	Fort Leavenworth Bridge	430,000		430,000	

Footnotes at end of table.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Kansas—Continued				
(FC) Fort Scott Reservoir (deferred)		\$30,000		\$30,000
(FC) Frankfort				
(FC) John Redmond (Strawn) Reservoir	\$825,000		\$825,000	
(FC) Kansas City, Kans. and Mo.	9,000,000		9,000,000	
(FC) Lawrence	1,200,000		1,200,000	
(FC) Manhattan		78,000		78,000
(FC) Marion Reservoir	1,050,000		1,050,000	
(FC) Melvern Reservoir		71,000		71,000
(FC) Milford Reservoir		200,000		200,000
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)	11,600,000		11,600,000	
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
(FC) Osawatomie		40,000		40,000
(F) Perry Reservoir				
(FC) Pomona Reservoir			750,000	
(FC) Topeka	2,200,000		2,200,000	
(FC) Tuttle Creek Reservoir	2,200,000		2,200,000	
(FC) Wilcox Reservoir	2,632,000		2,632,000	
Kentucky:				
(MP) Barkley Dam, Ky. and Tenn.	4,400,000		4,400,000	
(FC) Barren River Reservoir	31,200,000		31,147,000	
Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)	10,110,000		10,110,000	
(N) Capt. Anthony Meldahl locks and dam, Kentucky and Ohio				
(FC) Cave Run Reservoir	10,200,000		10,172,000	
(FC) Corbin		75,000		75,000
(FC) Fishtrap Reservoir	200,000		400,000	
(FC) Frankfort (deferred)	6,700,000		6,700,000	
(FC) Grayson Reservoir				25,000
(FC) Green River Reservoir		371,000		371,000
(MP) Laurel River Reservoir			1,000,000	
(N) Markland locks and dam, Indiana, Kentucky, and Ohio		653,000		653,000
(N) MeAlpine locks and dam (Louisville), Indiana and Kentucky	7,977,000		7,785,000	
Newburgh lock and dam, Indiana and Kentucky. (See Indiana.)	3,500,000		3,500,000	
(FC) Nolich Reservoir				
Uniontown lock and dam, Indiana and Kentucky. (See Indiana.)	2,536,000		2,447,500	
Louisiana:				
(N) Aquatic plant control, Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas	940,000		940,000	
(N) Bayou La Fourche and LaFourche Jump Waterway	500,000		500,000	
(N) Bayou Le Carpe			1 (45,000)	
(N) Calcasieu River and Pass (1960 act)	2,500,000		2,500,000	
(N) Calcasieu River salt water barrier				56,000
(FC) Campti Clarence levee				50,000
(N) Freshwater Bayou				
(N) Mississippi River, Baton Rouge to the Gulf of Mexico	600,000		600,000	
(N) Mississippi River gulf outlet	2,569,000		2,569,000	
(FC) New Orleans to Venice, La., Hurricane Protection	8,000,000		8,920,000	
Ouachita and Black Rivers, Ark. and La. (See Arkansas.)		265,000		265,000
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)				
Maine:				
(N) Bass Harbor			2 (183,000)	
(N) Kennebec River				17,000
(N) Portland Harbor, deepen to 45 ft			550,000	
Portsmouth Harbor and Piscataqua River, N.H., and Maine. (See New Hampshire.)				
(N) Searsport Harbor				10,000
Maryland:				
(N) Baltimore Harbor and channels (1958 act)	4,100,000		4,100,000	
(FC) Bloomington Reservoir		100,000		
Inland Waterway, Delaware River to Chesapeake Bay (Chesapeake & Delaware Canal), part II, Delaware and Maryland. (See Delaware.)				
(N) Pocomoke River	300,000		300,000	
Massachusetts:				
(R) Cape Cod Canal-Bourne Bridge		38,000		38,000
(FC) Chicopee Falls	350,000		350,000	
(FC) Conant Brook Reservoir		160,000		160,000
(FC) Littleville Reservoir	1,900,000		2,200,000	
(FC) New Bedford-Fairhaven and Acushnet barriers	1,200,000		1,200,000	
(N) Provincetown Harbor		15,000		15,000
(FC) Three Rivers		50,000	350,000	
(FC) Wareham-Marion		73,000		73,000
(BE) Wessagussett Beach (reimbursement)	23,000		23,000	
(FC) Westfield		120,000		120,000
Michigan:				
(N) Detroit River channel north of Belle Isle			1 (380,000)	
(N) Detroit River, enlarge Trenton Channel	4,000,000		4,000,000	
(N) Gladstone Harbor Little Bay DeNoe			1 (350,000)	
(R) Grand Haven Harbor (piers and revetment)	830,000		830,000	
(N) Great Lakes connecting channels	3,200,000		3,200,000	
(N) Hammond Bay Harbor	1,000,000		1,000,000	
(R) Holland Harbor (piers, revetment, and breakwater)	300,000		300,000	
(N) Little Lake Harbor	610,000		610,000	
(R) Ludington Harbor (piers, revetments, and breakwater)		40,000		40,000
(N) Manistee Harbor	900,000		900,000	
(R) Manistee Harbor (piers, revetment, and breakwater)		45,000		45,000
(R) Manistique Harbor (breakwaters)	300,000		300,000	
(R) Marquette Harbor (minor rehabilitation)	(300,000)		(300,000)	
(R) Menominee Harbor (piers), Michigan and Wisconsin	500,000		500,000	
(R) Presque Isle Harbor (minor rehabilitation)	(140,000)		(140,000)	
(FC) River Rouge		150,000		50,000
(N) Saginaw River	1,666,000		1,666,000	
(FC) Saginaw River	300,000		300,000	
(R) St. Joseph Harbor (piers and revetments)	81,000		81,000	
(N) St. Marys River, New Poe lock	750,000		750,000	
(R) South Haven Harbor (piers and revetments)	570,000		570,000	
Minnesota:				
(N) Duluth-Superior Harbor:				
(a) Inner Harbor 27-foot and 23-foot channels	300,000		300,000	
(b) Outer Harbor 32-foot to 27-foot channel	2,580,000		2,580,000	
(FC) Marshall, Redwood River	750,000		750,000	
(R) Reservoirs at headwaters of Mississippi River (Winnibigoshish Dam)		30,000		30,000
(N) St. Anthony Falls extension	4,430,000		4,430,000	
(FC) St. Paul and South St. Paul	1,700,000		1,700,000	

Footnotes at end of table.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Mississippi:				
Aquatic plant control. (See Louisiana.)				
(FC) Jackson and East Jackson		\$123,000	\$500,000	
(FC) Okatibbee Creek Reservoir				\$150,000
(N) Pascagoula Harbor			1,500,000	
(FC) Tombigbee River and tributaries		106,000		106,000
Missouri:				
Bull Shoals Reservoir, units 7 and 8, Arkansas and Missouri. (See Arkansas.)				
(FC) Cantou	\$200,000		200,000	
(FC) Cape Girardeau and vicinity	200,000		200,000	
Chariton River, Iowa and Missouri. (See Iowa.)				
Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri. (See Illinois.)				
(FC) Gregory Drainage District				50,000
(FC) Hannibal		150,000		50,000
(MP) Joanna Reservoir				100,000
Kansas Citys, Kans. and Mo. (See Kansas.)				
(MP) Kaysinger Bluff Reservoir (with power)		267,000		267,000
(FC) Kaysinger Bluff Reservoir, highway construction	1,000,000		1,000,000	
Mississippi River between the Ohio and Missouri Rivers, Ill., and Mo., regulating works. (See Illinois.)				
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
(FC) Perry County Drainage and Levee Districts 1, 2, and 3	180,000		180,000	
(FC) St. Louis	8,800,000		8,800,000	
(FC) South River Drainage District			100,000	
(MP) Stockton Reservoir	900,000		900,000	
(FC) Union Township Drainage District				40,000
Montana:				
(MP) Libby Reservoir		2,600,000		2,600,000
Nebraska:				
(FC) Little Papillion Creek		150,000		50,000
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)				
(FC) Norfolk				80,000
(FC) Salt Creek and tributaries	2,300,000		2,300,000	
(FC) Waterloo			100,000	
Nevada:				
(FC) Humboldt River (deferred)		15,000		15,000
(FC) Las Vegas Wash		100,000		100,000
New Hampshire:				
(FC) Claremont Reservoir (deferred)		30,000		30,000
(FC) Hopkinton-Everett Reservoir	2,587,000		2,567,000	
(N) Portsmouth Harbor and Piscataqua River, N.H. and Maine				100,000
New Jersey:				
(BE) Atlantic City (reimbursement)	129,000		129,000	
(BE) Barnegat Light (reimbursement)	62,000		62,000	
(R) Cold Spring Inlet (breakwater)		15,000		15,000
(N) Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey	4,500,000		4,500,000	
(N) Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging Marcus Hook and Mantua Creek anchorages			300,000	
(R) Delaware River, Philadelphia to sea (main dikes) New Jersey, Pennsylvania, and Delaware	750,000		750,000	
(BE) Long Beach Island (reimbursement)	42,000		42,000	
(R) Manasquan Inlet (bulkheads)		10,000		10,000
(R) New Jersey Intracoastal Waterway (jetties)		12,000		12,000
(BE) Ocean City (reimbursement)	158,000		158,000	
(BE) Raritan Bay-Sandy Hook Bay			500,000	
(MP) Tocks Island Reservoir, Pa. and N.J.		1200,000		
New Mexico:				
(FC) Alamogordo Diversion Channel				50,000
(FC) Cochiti Reservoir		350,000		350,000
(FC) Galisteo Reservoir		200,000		200,000
(FC) Las Cruces		150,000		
(FC) Socorro	1,500,000		1,500,000	
(FC) Two Rivers Reservoir	1,911,000		1,911,000	
New York:				
(FC) Allegany (deferred)		7,000		7,000
Allegheny River Reservoir, N.Y. and Pa. (See Pennsylvania.)				
(N) Buffalo Harbor:				
(a) Deepen north entrance, Buffalo River entrance, Buffalo River, Buffalo Ship canal	450,000		450,000	
(b) South entrance, 28-, 29-, and 30-foot channel (1960 act)	1,000,000		1,000,000	
(FC) Fire Island Inlet to Montauk Point		250,000	750,000	250,000
(N) Flushing Bay and Creek			1,500,000	
(N) Great Lakes to Hudson River Waterway	400,000		400,000	
(R) Great Sodus Bay (piers)	473,000		473,000	
(FC) Herkimer	880,000		880,000	
(N) Hudson River, New York City to Albany	5,300,000		5,300,000	
(FC) Ithaca (Cayuga Inlet)		112,000		112,000
(FC) Lackawanna		78,000		78,000
(FC) Lake Chataqua and Chataqua River		35,000		35,000
(N) New York Harbor, 35-foot channel from ocean to bayside	1,537,000		1,537,000	
(N) Rochester Harbor	900,000		900,000	
(BE) Selkirk Shores State Park (reimbursement)	40,000		40,000	
(FC) South Amsterdam	300,000		300,000	
Tocks Island Reservoir, Pa. and N.J. (see New Jersey).				
North Carolina:				
Aquatic plant control. (See Louisiana.)				
(FC) New Hope Reservoir		100,000		100,000
(FC) Wilkesboro Reservoir	800,000		779,000	
North Dakota:				
(FC) Bowman-Haley Reservoir				180,000
(MP) Garrison Reservoir	600,000		600,000	
Oahe Reservoir, N. Dak. and S. Dak. (See South Dakota.)				
Ohio:				
(N) Ashtabula Harbor (1960 act)	1,200,000		1,200,000	
(N) Belleville locks and dam, Ohio and West Virginia	3,200,000		3,200,000	
(FC) Big Darby Creek Reservoir				250,000
(FC) Buck Creek Reservoir				75,000
Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)				
(N) Cleveland Harbor:				
(a) Bridge replacements widening, Cuyahoga and Old River and deepening channel in east basin and outer harbor (1958 act)	300,000		300,000	
(b) 28-foot approach channel, 27-foot entrance channel, 27-foot river channel, 28 feet in west basin (1960 act)	1,000,000		1,000,000	
(R) Cleveland Harbor (breakwater)	263,000		263,000	

Footnotes at end of table.

Construction, general, State and project	Revised budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
Ohio—Continued				
(R) Conneaut Harbor (breakwater).....	\$265,000		\$265,000	
(F') Deer Creek Reservoir.....				\$250,000
(N) Fairport Harbor.....	400,000		400,000	
(N) Hannibal locks and dam, Ohio and West Virginia.....		\$100,000		100,000
(N) Lorain Harbor (1960 act).....	3,000,000		3,000,000	
(F') Markland lock and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)				
(F') Paint Creek Reservoir.....				250,000
(N) Pike Island locks and dam, Ohio and West Virginia.....	12,400,000		12,348,250	
(N) Racine locks and dam, Ohio and West Virginia.....		395,000		395,000
(N) Sandusky Harbor (1960 act).....	1,800,000		1,800,000	
(R) Sandusky Harbor (east jetty).....	200,000		200,000	
(N) Shenango River Reservoir, Ohio and Pa. (See Pennsylvania.)				
(F') Toledo Harbor (1950, 1953, and 1960 acts).....	4,700,000		4,700,000	
(F') West Branch Reservoir, Mahoning River.....	2,400,000		2,400,000	
Oklahoma:				
Arkansas-Red Rivers salinity control (initial phase), Oklahoma and Texas. (See Texas.)				
Arkansas River and tributaries bank stabilization and channel rectification, Arkansas and Oklahoma. (See Arkansas.)				
Arkansas River and tributaries navigation locks and dam, Arkansas and Oklahoma. (See Arkansas.)				
(F') Birch Reservoir.....				20,000
(F') Broken Bow Reservoir.....	3,400,000		3,400,000	
(MP) Eufaula Reservoir.....	31,300,000		31,265,000	
(F') Kaw Reservoir.....		75,000		75,000
(F') Keystone Reservoir.....	21,000,000		20,990,000	
(F') Optima Reservoir.....				50,000
(F') Pine Creek Reservoir.....	600,000		600,000	
(MP) Short Mountain lock and dam.....		531,000		531,000
(F') Skiatook Reservoir.....		140,000		
(N) Webbers Falls lock and dam.....		325,000		325,000
Oregon:				
(N) Columbia and Lower Willamette River below Vancouver, Wash., and Portland, Oreg.: (a) 40-foot channel.....		1100,000		
(b) 35 feet from mouth of Willamette River to Vancouver.....				
(N) Columbia River at the mouth, Oregon and Washington.....		130,000		130,000
(R) Columbia River at the mouth (jetties) Oregon and Washington.....	2,000,000		2,000,000	
(F') Columbia River local protection: John Day River.....		20,000		20,000
(N) Coos and Millieoma Rivers.....				23,000
(R) Coos Bay (south jetty).....	1,600,000		1,600,000	
(MP) Cougar Reservoir.....	9,100,000		9,079,000	
(F') Fall Creek Reservoir.....	1,900,000		1,900,000	
(MP) Green Peter Reservoir.....	6,100,000		6,100,000	
(MP) John Day lock and dam, Oregon and Washington.....	43,000,000		43,000,000	
(F') Lower Columbia River bank protection, Oregon and Washington.....	400,000		400,000	
(F') Lower Columbia River improvement to existing works: Beaver Drainage District.....	516,000		516,000	
(R) Siuslaw River (south jetty).....	720,000		720,000	
(R) Tillamook Bay and Harbor (north jetty).....	500,000		500,000	
(R) Umpqua River (south jetty).....	2,160,000		2,160,000	
(F') Willamette River Basin bank protection.....	600,000		600,000	
(N) Yaquina Bay and Harbor.....		100,000		100,000
(R) Yaquina Bay and Harbor (jetties).....		30,000		30,000
Pennsylvania:				
(F') Allegheny River Reservoir, Pa. and N.Y.....	24,800,000		24,800,000	
(F') Beltzville Reservoir.....		1100,000		100,000
(F') Bethlehem.....	1,300,000		1,300,000	
(F') Blanchard Reservoir.....		350,000		350,000
(F') Butler.....	700,000		700,000	
(F') Curwensville Reservoir.....	5,000,000		5,000,000	
(N) Dam 4, Monongahela River.....	500,000		500,000	
Delaware River, Philadelphia to sea (main dikes) Delaware, Pennsylvania, and New Jersey. (See New Jersey.)				
Delaware River, Philadelphia Naval Base to Trenton. (See New Jersey.)				
(N) Erie Harbor (1960 act).....	1,220,000		1,220,000	
(F') Latrobe.....		75,000		75,000
(N) Maxwell locks and dam, Monongahela River.....	7,800,000		7,748,250	
(BE) Presque Isle Peninsula (reimbursement).....	186,000		186,000	
(F') Ridgway.....	241,000		241,000	
(F') Shenango River Reservoir, Ohio and Pa.....	7,600,000		7,600,000	
(F') Tioga-Hammond Reservoir.....		100,000		
(F') Toxics Island Reservoir, Pa. and N.J. (See New Jersey.)				
(F') Turtle Creek.....	1,300,000		1,300,000	
(F') Union City Reservoir.....		150,000		50,000
Puerto Rico:				
(N) San Juan Harbor.....	4,500,000		4,500,000	
Rhode Island:				
(F') Fox Point barrier.....	4,000,000		4,000,000	
(F') Lower Woonsocket.....	300,000		300,000	
(R) Point Judith Harbor (breakwater).....	810,000		810,000	
South Carolina:				
(N) Aquatic plant control. (See Louisiana.)				
(N) Charleston Harbor (1945 act).....	824,000		824,000	
Hartwell Reservoir, Ga. and S.C. (See Georgia.)				
South Dakota:				
(MP) Big Bend Reservoir.....	26,000,000		26,000,000	
(F') Cottonwood Springs Reservoirs (deferred).....		15,000		15,000
(MP) Fort Randall Reservoir.....	2,300,000		2,300,000	
(MP) Oahe Reservoir, S. Dak. and N. Dak.....	20,000,000		20,000,000	
Tennessee:				
Barkley Dam, Ky. and Tenn. (See Kentucky.)				
(MP) Cordell Hull Dam.....		309,000		1,000,000
(MP) J. Percy Priest Reservoir.....		404,000		1,000,000
Texas:				
Aquatic plant control. (See Louisiana.)				
Arkansas-Red Rivers salinity control (initial phase), Oklahoma and Texas.....			300,000	
(N) Barbour Cut, La Porte.....			(58,500)	
(F') Bardwell Reservoir.....	500,000		500,000	
(F') Big Fossil Creek.....		45,000		45,000
(F') Bladders Creek Reservoir, New Braunfels.....		50,000		50,000
(F') Buffalo Bayou and tributaries.....	4,800,000		4,800,000	
(F') Canyon Reservoir.....	3,200,000		3,200,000	
(F') Fort Worth Floodway (Clear Fork).....		175,000		75,000
(F') Fort Worth Floodway upstream extension.....		70,000		70,000
(R) Galveston Harbor (jetties).....	1,500,000		1,500,000	

Footnotes at end of table.

Construction, general, State and project		Revised budget estimate for fiscal year 1963		Conference allowance	
		Construction	Planning	Construction	Planning
Texas—Continued					
(N)	Gulf Intracoastal Waterway:				
	Guadalupe River channel to Victoria	\$450,000		\$450,000	
(R)	Gulf Intracoastal Waterway, Port O'Connor (Dikes)		\$25,000		\$25,000
(N)	Houston ship channel:				
	(a) Bend easing and widening to 36-foot depth only	3,500,000		3,500,000	
	(b) Deepening to 40 feet (phase II)	948,000		948,000	
(N)	Matagorda ship channel, 38- and 36-foot channels	4,500,000		4,500,000	
(MP)	McGee Bend Dam	10,200,000		10,200,000	
(FC)	Navarro Mills Reservoir	2,080,000		2,080,000	
(N)	Port Aransas-Corpus Christi Waterway:				
	(a) Channel to Viola, 36-foot depth, phase I	450,000		450,000	
	(b) Deepening existing project to 40 and 42 feet			500,000	
(FC)	Port Arthur—Hurricane protection		†115,000		115,000
(FC)	Proctor Reservoir	4,600,000		4,600,000	
	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex. (See Arkansas.)				
(N)	Sabine-Neches Waterway	1,500,000		1,500,000	
(FC)	San Antonio Channel	1,000,000		1,000,000	
(FC)	Somerville Reservoir	1,500,000		1,500,000	
(FC)	Stillhouse Hollow Dam	1,700,000		1,700,000	
(FC)	Texas City	1,300,000		1,300,000	
(R)	Texas City Channel (dike)		40,000		40,000
(FC)	Vince and Little Vince Bayou		†50,000		
(FC)	Waco Reservoir	15,000,000		15,000,000	
Utah:					
(FC)	Weber River	250,000		250,000	
Vermont:					
(R)	Burlington Harbor (breakwater)	800,000		800,000	
Virginia:					
(FC)	Gathright Reservoir and Falling Springs reregulating dam (deferred)		40,000		40,000
(FC)	John W. Flannagan (Pound) Reservoir	3,200,000		3,200,000	
(FC)	Norfolk		†87,000		87,000
(FC)	North Fork of Pound Reservoir	500,000		500,000	
Washington:					
(FC)	Colfax	1,200,000		1,200,000	
	Columbia River at the mouth, Oregon and Washington—jetties. (See Oregon.)				
	Columbia River at the mouth, Oregon and Washington. (See Oregon.)				
(N)	Everett Harbor and Snohomish River	1,208,000		1,208,000	
(FC)	Howard A. Hanson (Eagle Gorge) Reservoir	200,000		200,000	
	John Day lock and dam, Oregon and Washington. (See Oregon.)				
(MP)	Little Goose lock and dam	1,600,000		1,600,000	
	Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)				
(FC)	Lower Columbia River improvement to existing works:				
	Cowlitz County Consolidated Diking and Improvement District No. 2		50,000		50,000
(FC)	Lower Columbia River levees at new locations:				
	Kalama River, south area				10,000
(MP)	Lower Granite lock and dam		500,000		500,000
(MP)	Lower Monumental lock and dam	18,500,000		18,500,000	
(FC)	Pullman		25,000		25,000
(FC)	Sammamish River	1,060,000		1,060,000	
West Virginia:					
	Bellville locks and dam, Ohio and West Virginia. (See Ohio.)				
(FC)	Buckhannon		†30,000		30,000
(FC)	Burnsville Reservoir (deferred)		35,000		65,000
(FC)	East Lynn Reservoir		100,000		100,000
	Hannibal locks and dam, Ohio and West Virginia. (See Ohio.)				
(N)	Opekiska lock and dam	6,000,000		6,000,000	
	Pike Island locks and dam, Ohio and West Virginia. (See Ohio.)				
	Racine locks and dam, Ohio and West Virginia. (See Ohio.)				
(FC)	Summersville Reservoir	9,750,000		9,750,000	
Wisconsin:					
(N)	Ashland Harbor	340,000		340,000	
	Duluth-Superior Harbor, Minnesota and Wisconsin. (See Minnesota.)				
(FC)	Eau Claire River	340,000		340,000	
(N)	Green Bay Harbor			260,000	
(N)	Kenosha Harbor				15,000
	Menominee Harbor (piers), Michigan and Wisconsin. (See Michigan.)				
(R)	Milwaukee Harbor (breakwater)	300,000		300,000	
(R)	Sheboygan Harbor (pier and breakwater)	320,000		320,000	
(R)	Sturgeon Bay and Lake Michigan ship canal (revetments)	360,000		360,000	
Wyoming:					
(FC)	Jackson Hole	430,000		430,000	
(FC)	Sheridan	600,000		600,000	
Miscellaneous:					
(FC)	Emergency bank protection	200,000		200,000	
(FC)	Local protection projects not requiring specific legislation	3,000,000		4,000,000	
(N)	Small navigation projects not requiring specific legislation (costing up to \$200,000)	1,500,000		1,500,000	
(FC)	Snagging and clearing	200,000		200,000	
	Projects deferred for restudy		(217,000)		(272,000)
	Recreation facilities, completed projects	4,000,000		4,150,000	
	Small authorized projects	1,500,000		3,000,000	
	Fish and wildlife studies (U.S. Fish and Wildlife Service)	600,000		600,000	
(R)	Minor rehabilitation projects (costing up to \$400,000)	2,500,000		2,500,000	
	Employees compensation	22,000		22,000	
	Reduction for anticipated savings and slippages	-60,000,000		-70,000,000	
Grand total, construction, general		761,045,000	19,600,000	772,086,500	19,494,000
		(780,645,000)		(791,580,500)	

†Submitted in S. Doc. No. 135.

‡Eligible for selection under lump-sum appropriation for small authorized projects.

‡Eligible for selection under small navigation program not requiring specific legislation.

Missouri River Agricultural Levees, Iowa, Kansas, Missouri, and Nebraska (active units): The increase above the budget includes funds for initiating construction on units L-601, L-594, R-345-330 and L-351, and planning for unit L-15.

Flood Control, Mississippi River and Tributaries

Amendment No. 3: Appropriates \$73,504,000 instead of \$70,500,000 as proposed by the House and \$75,954,000 as proposed by the Senate. Funds provided are to be distributed as follows:

Projects	Budget estimate for fiscal year 1963		Conference allowance	
	Construction	Planning	Construction	Planning
1. General investigations:				
(a) Examinations and surveys.....		\$42,500		\$62,500
(b) Collection and study of basic data.....		82,500		82,500
Subtotal, general investigations.....		125,000		145,000
2. Construction and planning:				
Mississippi River levees.....	\$2,200,000		\$2,600,000	
Channel improvement.....	25,500,000		26,500,000	
Memphis Harbor.....	800,000		800,000	
Greenville Harbor.....	1,530,000		1,530,000	
Old River control.....	4,200,000		4,174,000	
St. Francis Basin.....	3,900,000		3,900,000	\$60,000
Lower White River.....	850,000		850,000	
Cache Basin.....		\$100,000		100,000
West Tennessee tributaries.....	600,000		600,000	
Wolf River and tributaries.....	100,000		100,000	
Lower Arkansas.....	500,000		550,000	
Tensas Basin:				
Boeuf and Tensas Rivers, etc.....	1,740,000		1,740,000	
Red River backwater.....				
Yazoo Basin:				
Sardis Reservoir.....	30,000		30,000	
Enid Reservoir.....	53,000		53,000	
Arkabutla Reservoir.....	30,000		30,000	
Grenada Reservoir.....	37,000		37,000	
Greenwood.....	700,000		700,000	
Main stem.....	2,050,000		2,050,000	
Tributaries.....	660,000		660,000	
Big Sunflower River, etc.....	1,200,000		1,200,000	
Yazoo backwater.....	900,000		900,000	
Atchafalaya Basin.....	4,900,000		4,900,000	
Lake Pontchartrain.....	760,000		760,000	
Subtotal, construction and planning.....	53,275,000	\$100,000	54,699,000	\$160,000
Reduction for anticipated savings and slippages.....	-1,500,000		-1,500,000	
Total, construction and planning.....	51,775,000	100,000	53,199,000	160,000
3. Maintenance.....	18,500,000		20,000,000	
Grand total.....	70,500,000		73,504,000	

Amendment No. 4: Reported in disagreement. The managers will move to recede and concur with language inserted in the bill by the Senate concerning the use of funds provided for the Cache River, Ark.

TITLE II—DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

General Investigations

Amendments Nos. 5 and 6: Appropriate \$8,400,000 instead of \$7,100,000 as proposed

by the House and \$9,420,000 as proposed by the Senate, and provide that \$7,010,000 of the amount shall be derived from the Reclamation Fund instead of \$5,610,000 as proposed by the House and \$8,030,000 as proposed by the Senate. The amount provided includes funds for: central Arizona, \$500,000; Passamaquoddy, \$200,000; Maxwell, Ariz., \$60,000; Ouray unit, central Utah, \$30,000; delivery of Colorado water to Mexico, \$285,000; and up to \$100,000 for weather

modification research. No funds have been provided for the Pendleton, Oreg., project, and the Senate increase proposed for the Sonora-Keystone, Calif., project has been disallowed.

Construction and Rehabilitation

Amendment No. 7: Appropriates \$158,218,000 instead of \$153,077,000 as proposed by the House and \$160,361,000 as proposed by the Senate. The funds provided under this heading are to be distributed as follows:

Project	Budget estimate	Conference allowance	Project	Budget estimate	Conference allowance
Advance planning.....	\$1,705,000	\$1,030,000	Missouri River Basin project:		
Gila project, Arizona.....	3,000,000	2,000,000	Ainsworth unit, Nebraska.....	\$5,800,000	\$5,800,000
Colorado River front work and levee system, Arizona-California.....	250,000	550,000	Almena unit, Kansas.....	4,826,000	4,826,000
Central Valley project, California.....	47,401,000	47,401,000	Cedar Bluff unit, Kansas.....	906,000	906,000
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation, Idaho.....	519,000	519,000	East Bench unit, Montana.....	5,620,000	5,620,000
Wichita project, Cheney division, Kansas.....	7,100,000	7,100,000	Farwell unit, Nebraska.....	6,800,000	6,800,000
Washoe project, Nevada-California.....	198,315	198,315	Frenchman-Cambridge division, Nebraska.....	1,714,000	1,714,000
Rio Grande project, New Mexico.....		80,000	Glen Elder unit, Kansas.....	750,000	750,000
Norman project, Oklahoma.....	7,500,000	7,500,000	Oahe unit, James section, South Dakota.....	220,000	220,000
Rogue River Basin, Talent division, Oregon.....	439,000	439,000	Transmission division.....	14,449,000	14,379,000
The Dalles project, Western division, Oregon.....	1,025,000	1,025,000	Yellowtail unit, Montana-Wyoming.....	12,150,000	12,150,000
Vale project, Bully Creek extension, Oregon.....	1,765,000	1,765,000	Drainage and minor construction.....	1,795,631	1,820,631
Klamath project, Oregon-California.....	515,000	515,000	Investigations.....	1,488,000	1,143,000
Canadian River project, Texas.....	10,000,000	10,000,000	Advance planning.....	1,284,000	1,284,000
Lower Rio Grande rehabilitation project, La Feria division, Texas.....	1,500,000	1,500,000	Subtotal, Missouri River Basin project.....	57,802,631	57,412,631
Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	1,940,000	1,940,000	Other Department of the Interior agencies.....	3,240,000	3,008,000
San Angelo project, Texas.....	2,770,000	2,690,000	Total, Missouri River Basin project.....	61,042,631	60,420,631
Weber Basin project, Utah.....	10,538,000	10,538,000	Subtotal, construction and rehabilitation.....	175,215,000	173,218,000
Chief Joseph Dam project, Greater Wenatchee division, Washington.....	2,136,000	2,136,000	Undistributed reduction based on anticipated delays.....	-13,515,000	-15,000,000
Columbia Basin project, Washington.....	4,569,000	4,569,000	Total, construction and rehabilitation.....	161,700,000	158,218,000
Drainage and minor construction.....	3,956,054	3,956,054			
Rehabilitation and betterment of existing projects.....	5,346,000	5,346,000			
Subtotal.....	114,172,369	112,797,369			

Advance planning: The increase above the House figure includes funds for: Fryingpan-Arkansas, \$500,000; Arbuckle, Okla., \$350,000; and Washoe, Nev., \$50,000.

Missouri River Basin project, transmission division: The conferees on the part of both Houses are in agreement that the Bureau shall proceed immediately with the budget program for Federal construction of the Creston, Iowa—Fairport, Mo., transmission line.

Missouri River Basin project, investigations: The amount provided includes funds for: Turner and Clay Counties, S. Dak.,

\$20,000; Cannonball division, Montana, \$20,000; and Musselshell River, Mont., \$25,000. The conferees are in agreement on the Senate reduction of \$77,000 in the funds for the northeast Montana division.

Operation and Maintenance

Amendment No. 8: Appropriates \$36,444,600 as proposed by the Senate instead of \$38,150,000 as proposed by the House.

Loan Program

Amendment No. 9: Appropriates \$12,517,000 as proposed by the Senate instead of \$10,173,000 as proposed by the House.

Upper Colorado River Storage Project

Amendments Nos. 10, 11, and 12: Appropriate \$107,808,000 instead of \$106,508,000 as proposed by the House and \$109,576,000 as proposed by the Senate, provide that \$104,576,000 instead of \$103,276,000 as proposed by the House and \$105,576,000 as proposed by the Senate shall be available for the Upper Colorado River Basin fund, and provide that \$3,232,000 as proposed by the House instead of \$4,000,000 as proposed by the Senate shall be available for construction of recreational and fish and wildlife facilities.

The increase above the House figure includes \$550,000 for San Juan-Chama and restoration of \$750,000 of the House reduction for slippage. Of the funds available for the Seedskaadee, Wyo., project, \$95,000 shall be available for the Lincoln County, Wyo., road between U.S. Highway 189 and the Bureau of Reclamation community at Fontenelle.

Administrative Provisions

Amendment No. 13: Reported in disagreement.

TITLE III—INDEPENDENT OFFICES

Atomic Energy Commission

Operating Expenses

Amendment No. 14: Appropriates \$2,872,224,000 instead of \$2,860,974,000 as proposed by the House and \$2,885,391,000 as proposed by the Senate.

The increase above the House figure includes the following: \$3,000,000 for the cooperative power reactor demonstration program; \$2,000,000 for the advanced space power system portion of the satellite and small power sources program; \$5,000,000 for the physical research program; \$500,000 for the food irradiation programs; and \$750,000 for program direction and administration.

Plant Acquisition and Construction

Amendments Nos. 15 and 16: Appropriate \$262,745,000 instead of \$261,845,000 as proposed by the House and \$267,895,000 as proposed by the Senate, and provide that \$4,500,000 as proposed by the House instead of \$9,000,000 as proposed by the Senate be used for improvement on U.S. Highway 95, Nevada.

The increase above the House figure includes \$250,000 for the Argonne National Laboratory cafeteria, and \$650,000 for food irradiators.

The conferees direct that \$4,500,000 of funds available to the National Aeronautics and Space Administration be transferred to the Bureau of Public Roads for construction of U.S. Highway 95, Nevada.

St. Lawrence Seaway Development Corporation

Limitation on Administrative Expenses, St. Lawrence Seaway Development Corporation

Amendment No. 17: Limits administrative expenses to \$414,000 as proposed by the Senate, instead of \$425,000 as proposed by the House.

U.S. Study Commission—Southeast River Basins—Salaries and Expenses

Amendment No. 18: Reported in disagreement. The managers on the part of the House will move to recede and concur in the Senate amendment, making funds under this heading available until December 31, 1963, instead of December 31, 1962.

TITLE IV—FUNDS APPROPRIATED TO THE PRESIDENT

Public works acceleration

Amendment No. 19: Inserts heading and language as proposed by the Senate and appropriates \$400,000,000 instead of \$500,000,000 as proposed by the Senate.

The managers on the part of the House endorse the Senate report statements on the accelerated public works program.

In addition the conferees on the part of both Houses direct that emphasis be placed on community facilities projects requiring local matching funds such as water and sewer systems, public buildings and hospitals, streets and sidewalks.

The conferees on the part of both Houses direct also that no funds are to be made available for all-Federal research laboratories of the type normally requiring separate item review and approval of the Congress in the regular appropriation processes, or for all-Federal projects of any other type costing more than \$400,000.

These conditions are being applied pending a budgetary presentation identifying specific projects for the remainder of the program.

TITLE V—GENERAL PROVISIONS

Amendment No. 20: Changes title number. Amendments Nos. 21 through 27: Change section numbers.

CLARENCE CANNON,
MICHAEL J. KIRWAN,
JOHN E. FOGARTY,
BEN F. JENSEN (I reserve on title IV),
JOHN TABER (I reserve on title IV and the \$400,000,000 appropriation).

Managers on the Part of the House.

POSTAL SERVICE AND FEDERAL EMPLOYEES SALARY ACT OF 1962

Mr. MURRAY submitted the following conference report and statement on the bill (H.R. 7927) to adjust postal rates, and for other purposes:

CONFERENCE REPORT (H. REPT. NO. 2532)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 7927) to adjust postal rates, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment, insert the following: "That this Act may be cited as the 'Postal Service and Federal Employees Salary Act of 1962'."

"PART I—POSTAL SERVICE"

"Title I—Postal rates"

"First-Class Mail"

"SEC. 101. Section 4253(a) of title 39 United States Code, is amended by striking out the words 'four' and 'three' wherever appearing in subsection (a) and inserting in lieu thereof the words 'five' and 'four' respectively."

"Airmail"

"SEC. 102. (a) Section 4303 of title 39, United States Code, is amended—

"(1) by striking out the word 'seven' in subsection (a) and inserting in lieu thereof the word 'eight';

"(2) by striking out the word 'five' in subsection (b) and inserting in lieu thereof the word 'six';

"(3) by increasing each of the rates under the heading 'First pound over 8 ounces or fraction thereof' in the table in subsection (d)(1) by 8 cents;

"(4) by striking out paragraph (2) of subsection (d) and inserting in lieu thereof the following:

"(2) The rate of postage on air mail of the first class weighing in excess of eight ounces shall be the rate provided by subsection (a) for each ounce not in excess of eight ounces, plus 5 cents for each ounce or fraction thereof in excess of eight ounces, but in no case less than the rate provided under paragraph (1) for air parcels."

"Second Class Within County of Publication
"SEC. 103. Subsections (a) and (b) of section 4358 of title 39, United States Code, are amended to read as follows:

"(a) Except as provided in subsection (b), the rate of postage on publications admitted as second-class mail when addressed for

delivery within the county in which they are published and entered is as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1965	Mailed after December 31, 1964
"Rate per pound.....	1	1 1/4
Minimum charge per piece.....	1/4	3/8

"(b) The rate of postage on the following publications admitted as second-class mail when mailed for delivery, within the county in which they are published and entered, by the letter carrier at the office of mailing, shall be—

"(1) publications issued more frequently than weekly, one cent a copy;

"(2) publications issued less frequently than weekly—

"(A) weighing two ounces or less, one cent a copy;

"(B) weighing more than two ounces, two cents a copy."

"Second Class Beyond County of Publication

"SEC. 104. (a) Section 4359(b) of title 39, United States Code, is amended to read as follows:

"(b) (1) Except as provided by paragraphs (2), (3), and (4), the rates of postage on publications mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound: Advertising portion:			
Zones 1 and 2.....	3.4	3.8	4.2
Zone 3.....	4.4	4.8	5.2
Zone 4.....	6.4	6.8	7.2
Zone 5.....	8.4	8.8	9.2
Zone 6.....	10.4	10.8	11.2
Zone 7.....	12.0	12.0	12.0
Zone 8.....	14.0	14.0	14.0
Nonadvertising portion.....	2.6	2.7	2.8
Minimum charge per piece.....	.6	.8	1.0

"(2) The postage on classroom publications is 60 per centum of the postage computed in accordance with paragraph (1).

"(3) The rates of postage on publications of a qualified nonprofit organization mailed in accordance with subsection (a) are as follows:

"[In cents]

	"Mailed after January 6, 1963, and prior to January 1, 1964	Mailed during calendar year 1964	Mailed after December 31, 1964
"Rate per pound.....	1.6	1.7	1.8
Minimum charge per piece.....	.125	.125	.125

"(4) In lieu of the minimum charge per piece prescribed by paragraph (1), the minimum charge per piece to be paid by the following publications (other than publications to which paragraph (2) or paragraph (3) is applicable) shall be as follows—

"(A) publications mailing fewer than 5,000 copies per issue outside the county of publication—one-half cent per piece;

Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF
BUDGET AND FINANCE

(For information only;
should not be quoted
or cited)

Issued Oct. 15, 1962
For actions of Oct. 12 and 13, 1962
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HIGHLIGHTS: October 12: Sen. Hartke commended legislation to increase Farmers Home loan authority. Sen. McNamara commended appropriation for poultry research facilities in Mich. Sen. Proxmire urged increased consumption of dairy products. Sen. Morse defended REA cooperatives. Rep. Cannon objected to sending supplemental appropriation bill to conference. House agreed to conference report on public works appropriation bill. Sen. Javits introduced and discussed measure to establish Commission on Revision of Federal Agricultural Laws and Programs.

October 13: Sen. Morse criticized feed grain differentials for Northwest. Senate agreed to Sen. Russell's resolution favoring additional funds for industrial utilization research. Senate agreed to resolution asserting its power to originate appropriation bills. Both Houses agreed to amendments in disagreement on public works appropriation bill. Rep. Saylor criticized general manager of National Rural Electric Cooperatives Association. Rep. Hoeven criticized farm program.

HOUSE - Oct. 12.

1. SUPPLEMENTAL APPROPRIATION BILL, 1963. Rep. Cannon objected to a unanimous consent request to send to conference this bill, H. R. 13290 (p. 22120). Earlier a similar request was withdrawn (pp. 22099-100).
2. PUBLIC WORKS APPROPRIATION BILL, 1963. Agreed to the conference report on this bill, H. R. 12900, but did not complete action on amendments reported in

disagreement. pp. 22154-6

3. TARIFFS. Concurred in the Senate amendments to H. R. 12820, to validate the coverage of certain State and local employees in Arkansas under the agreement entered into by such State under the Social Security Act. As amended, this bill includes the language of H. R. 12109, to amend the Tariff Act of 1930 to permit certain natural grasses and other natural materials to be imported free of duty. This bill will now be sent to the President. pp. 22100-1
4. GOLDEN EAGLE. Concurred in the Senate amendments to H. J. Res. 489, to provide protection for the golden eagle. This bill will now be sent to the President. pp. 22102-3
5. PERSONNEL. Rep. Johansen urged a reduction in the number of Federal employees and said, "I wish the President every success in his new crusade to whittle the bureaucracy down to size." p. 22107
6. PUBLIC WORKS. Received and agreed to the conference report on H. R. 13273, the omnibus rivers, harbors and flood control bill (H. Rept. 2557), pp. 22131-48, 22156

SENATE - Oct. 12

7. FARM LOANS. Sen. Mansfield inserted Sen. Hartke's statement reviewing accomplishments of the Farmers Home Administration loan program and commending the enactment of legislation to increase certain insured-loan authority from \$150 million to \$200 million. pp. 22065-6
8. POULTRY RESEARCH. Sen. McNamara commended the inclusion of \$450,000 in the USDA appropriation bill for poultry research facilities in East Lansing, Mich., and inserted a letter from this Department listing grants received in support of such research. p. 22046
9. DAIRY PRODUCTS. Sen. Proxmire criticized "food faddists ... who have said that butter can be dangerous to health," urged increased consumption of dairy products, and inserted an article, "Antifat Food Fad Assailed by AMA." pp. 22029-30
10. ELECTRIFICATION. Sen. Morse defended rural electric cooperatives against charges that they have unfair advantage of private utilities because of lower taxes and the ability to borrow money from the Treasury at 2 percent, and inserted several items on the controversy. pp. 22085-9
11. FARM PROGRAM; LEGISLATIVE RECORD. Sen. Mansfield inserted his summary of the legislative record for the 87th Congress, including activities relating to agriculture, foreign trade, natural resources, and other fields. pp. 22018-29
12. FOREIGN TRADE. Sen. Proxmire commended the President's action in imposing restrictions on the use of U. S. ports or the carrying of U. S. cargo by vessels of foreign nations trading with Cuba. pp. 22038-40

HOUSE - Oct. 13

13. APPROPRIATIONS. Rep. Cannon inserted a summary of the appropriations for 1963. pp. 22208-17

session we report bills that pass the House and go to the Senate. We will be in a position at that time to discuss what we will do with Senate bills.

Mr. BOW. Mr. Speaker, I am not particularly interested in the next session of Congress. I am speaking about bills from the other body that they are interested in having considered in this session of Congress. It seems to me that bills of the House of Representatives should also be considered by the other body, and I am wondering whether the gentleman can give us assurances if we consider bills that come over here from the other body they also will consider bills sent to them?

Mr. WALTER. Of course I am very glad to inform the gentleman that this afternoon the Senate passed two bills of the House providing for the adjustment of status of two physicians, one introduced by the gentleman from California [Mr. SMITH], and the other by the gentleman from West Virginia [Mr. MOORE]. Those bills were approved by the Senate this afternoon. As to this bill I wish to add a few words of explanation.

Basic principles of a sound immigration policy and our continuous concern to preserve the integrity of the very important international educational exchange program caused the conferees to exclude from the benefits of this legislation those aliens who enter the United States as crewmen or exchange visitors. Similar exclusion, with specified exceptions applies to natives of countries and islands contiguous or adjacent to the United States.

If any alien in these classes becomes subject to deportation proceedings, maximum relief which could be accorded him would be discretionary action by the Attorney General who may permit such alien to leave the United States without prejudice to his future, lawful entry, provided that he or she leaves the United States promptly when ordered by the Attorney General to do so.

The inclusion in the benefits of this legislation of aliens who served honorably for a stated period of time in the Armed Forces of the United States represents the incorporation into a permanent statute of a policy traditionally adhered to by the Congress in the enactment of private relief bills for the alien servicemen or ex-servicemen. Aliens serving in the Navy or the Coast Guard under a special arrangement with the Government of the Philippine Republic and aliens enlisted or inducted outside of the United States, are not subject to the relief provisions of this legislation.

Mr. GREEN of Pennsylvania. Mr. Speaker, reserving the right to object, I want to compliment the gentleman on the excellent job he has done with this bill. He is entitled to the commendation and congratulations of the whole House.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 11, 1962.)

Mr. WALTER. Mr. Speaker, I yield to the gentleman from Ohio [Mr. FEIGHAN].

Mr. FEIGHAN. Mr. Speaker, the final version of the general immigration bill as agreed to by the House after a conference with the Senate, contains the following provisions:

First. An approximate number of 7,000 highly skilled immigrants whose entry was requested by American industrial enterprises, defense contractors, institutions of learning, hospitals, laboratories, and so forth, will be permitted to enter the United States, or remain in this country if they are already here, by being granted immigrant status not subject to quota limitations. The members of the skilled specialist's immediate family, namely, spouses and minor children, are included.

Second. Beneficiaries of fourth preference petitions filed by U.S. citizens who are the brothers or sisters, or parents, of the prospective immigrant, will be permitted to enter this country regardless of quota limitations, provided that they have registered for immigration at an American consulate abroad before March 31, 1954. The best approximation which the Department of State was able to furnish as to the number of those who will benefit from this provision of the bill is 16,000. The largest numbers of those relatives of U.S. citizens will be coming from Italy, Greece, Portugal, and some from Spain.

Third. In order to assist the Congress in developing a uniform policy in the important matter of admitting highly skilled immigrants, the new bill places upon the Attorney General the obligation to report to the Congress on each petition which he approves authorizing the entry of a preferential immigrant. In his reports to the Congress the Attorney General will have to state the basis for his approval of the preferential petition including an outline of the immigrant's professional qualifications and reasons why urgent need for his services exists.

Fourth. A provision of the bill worked out in conference between the House and the Senate provides for congressional approval or disapproval of every order of the Attorney General's under which an alien—in an unlawful status in the United States—may have his deportation suspended if he shows that the deportation would cause hardship to the members of his immediate family, such as children, spouses, or parents. However, hardship will be recognized only in the event that the relatives of the alien who is to be deported are either citizens of the United States or are in this country in a lawful immigrant status as permanent residents.

Suspension of deportation will not be available to alien crewmen and to persons who come to the United States under international educational exchange programs and are under obligation to return to their native countries for at least two years to give their countrymen

the benefit of their American education and experience. Similarly excluded from the benefits of suspension of deportation are natives of countries and islands contiguous or adjacent to the United States. Aliens who served honorably for a minimum of 24 months in the Armed Forces of the United States are included in the new relief legislation.

(Mr. FEIGHAN asked and was given permission to revise and extend his remarks.)

The SPEAKER. The question is on the conference report.

The conference report was agreed to. A motion to reconsider was laid on the table.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CURTIS of Missouri, for 10 minutes, today.

Mr. ASHBROOK, for 30 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the Appendix of the RECORD, or to revise and extend remarks, was granted to:

Mr. RYAN of New York in two instances and to include extraneous matter.

Mr. ABERNETHY and to include extraneous matter.

Mr. DOWDY in two instances and to include extraneous matter.

Mr. JOHANSEN in two instances and to include extraneous matter.

Mr. CUNNINGHAM in the body of the RECORD during consideration of House Joint Resolution 489.

Mr. OLSEN in five instances.

Mr. GREEN of Pennsylvania and to include an article.

Mr. VANIK to extend his remarks immediately after the remarks of Mr. ROUSH.

Mr. BYRNES of Wisconsin and to include various newspaper and other articles.

Mr. BENNETT of Florida in two instances and to include extraneous matter.

Mr. RANDALL in four instances in the body of the RECORD.

Mr. RANDALL in three instances in the Appendix.

Mr. BONNER and to include extraneous matter.

Mr. ROBISON.

ENROLLED BILLS SIGNED

Mr. BURLESON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1663. An act for the relief of Dr. Hans J. V. Tiedemann and family;

H.R. 7781. An act to authorize the Administrator of General Services to convey by quitclaim deed a parcel of land in Prince

Georges County, Md., to the Silver Hill Voluntary Fire Department and Rescue Squad;

H.R. 8563. An act to amend the Life Insurance Act of the District of Columbia to permit certain policies to be issued to members of duly organized national veterans' organizations;

H.R. 9045. An act to amend the Trading With the Enemy Act, as amended;

H.R. 9669. An act for the relief of Molly Kwauk;

H.R. 12135. An act to authorize appropriations for the fiscal years 1964 and 1965 for the construction of certain highways in accordance with title 23 of the United States Code, and for other purposes;

H.R. 12217. An act for the relief of George Edward Leonard;

H.R. 12434. An act to facilitate the work of the Forest Service, and for other purposes; and

H.R. 12708. An act to increase the jurisdiction of the municipal court for the District of Columbia in civil actions, to change the names of the court, and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. BURLISON, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following titles:

H.R. 555. An act for the relief of Elmore County, Ala.;

H.R. 1691. An act for the relief of Elaine Veronica Brathwaite and Jessie Bamer;

H.R. 3131. An act for the relief of Richard C. Collins;

H.R. 5260. An act to continue for an additional 3-year period the existing suspensions of the tax on the first domestic processing of coconut oil, palm oil, palm-kernel oil, and fatty acids, salts, combinations, or mixtures thereof;

H.R. 5700. An act to amend the Tariff Act of 1930 to permit the designation of certain contract carriers as carriers of bonded merchandise;

H.R. 6190. An act to amend title 38 of the United States Code to provide for the repair or replacement for veterans of certain prosthetic or other appliances damaged or destroyed as a result of certain accidents;

H.R. 6691. An act to amend title 18, United States Code, sections 871 and 3056, to provide penalties for threats against the successors to the Presidency, to authorize their protection by the Secret Service, and for other purposes;

H.R. 6836. An act to amend the Policemen and Firemen's Retirement and Disability Act;

H.R. 7791. An act to amend title 13 of the United States Code to provide for the collection and publication of foreign commerce and trade statistics, and for other purposes;

H.R. 8140. An act to strengthen the criminal laws relating to bribery, graft, and conflicts of interest, and for other purposes;

H.R. 8355. An act to authorize executive agencies to grant easements in, over, or upon real property of the United States under the control of such agencies, and for other purposes;

H.R. 8874. An act to authorize certain banks to invest in corporations whose purpose is to provide clerical services for them, and for other purposes;

H.R. 8952. An act to amend the provisions of the Internal Revenue Code of 1954 relating to the conditions under which the special constructive sale price rule is to apply for purposes of certain manufacturers excise taxes and relating to the taxation of life insurance companies, and for other purposes;

H.R. 9285. An act for the relief of Helenita K. Stephenson;

H.R. 9777. An act to amend Private Law 87-197;

H.R. 10002. An act for the relief of civilian employees of the New York Naval Shipyard and the San Francisco Naval Shipyard erroneously in receipt of certain wages due to a misrepresentation of a Navy civilian personnel instruction;

H.R. 10026. An act for the relief of Thomas J. Fitzpatrick and Peter D. Power;

H.R. 10129. An act to amend the act of September 7, 1957, relating to aircraft loan guarantees;

H.R. 10199. An act for the relief of Lester A. Kocher;

H.R. 10423. An act for the relief of Mrs. Dorothy H. Johnson;

H.R. 10541. An act to assist States and communities to carry out intensive vaccination programs designed to protect their populations, particularly all preschool children, against poliomyelitis, diphtheria, whooping cough, and tetanus;

H.R. 10605. An act for the relief of Joan Rosa Orr;

H.R. 10708. An act to amend section 203 of the Rural Electrification Act of 1936, as amended, with respect to communication service for the transmission of voice, sounds, signals, pictures, writing, or signs of all kinds through the use of electricity;

H.R. 10936. An act to permit the Postmaster General to extend contract mail routes up to 100 miles during the contract term, and for other purposes;

H.R. 11058. An act for the relief of Carl Adams;

H.R. 11578. An act for the relief of Don C. Jensen and Bruce E. Woolner;

H.R. 11899. An act to amend the Federal Property and Administrative Services Act of 1940, as amended, to provide for a Federal telecommunications fund;

H.R. 12313. An act for the relief of Jane Froman, Gypsy Markoff, and Jean Rosen;

H.R. 12402. An act for the relief of Concetta Maria, Rosetta, and Tomasino Mangiaracina;

H.R. 12513. An act to provide for public notice of settlements in patent interferences, and for other purposes;

H.R. 12599. An act relating to the income tax treatment of terminal railroad corporations and their shareholders, and for other purposes, and

H.R. 13175. An act making appropriations for foreign aid and related agencies for the fiscal year ending June 30, 1963, and for other purposes.

CIVIL FUNCTIONS APPROPRIATION BILL, 1963

Mr. CANNON. Mr. Speaker, I call up the conference report on the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement, see proceedings of the House of October 4, 1962.)

Mr. CANNON. Mr. Speaker, the budget estimates on this bill aggregated \$5,651,751,000. As it passed the Senate, there was a total of \$4,613,807,900. We bring it to the House of Representatives after conference as \$5,067,869,400. That figure is below the budget estimate by \$583,881,600. It is above the House bill by \$454,061,500. It is below the Senate figure in the sum of \$143,402,000.

Mr. Speaker, I yield 5 minutes to the gentleman from Iowa [Mr. JENSEN].

Mr. JENSEN. Mr. Speaker, this bill comes back to the House in the form of a conference report which has been agreed to by all the Members of the Senate and the House conference, with the exception of one item on which the gentleman from New York [Mr. TABER] and I disagreed on, and that was the \$400 million for the President's public works total request of \$900 million, known as the accelerated public works program, as I recall.

Mr. Speaker, I do not know that there is too much to say about this. I am sure that if the gentleman from New York [Mr. TABER] or I would offer an amendment to strike the \$400 million, it would not prevail in the House of Representatives tonight. Therefore, I can only hope that the House will accept the conference figures which the House reduced by many millions of dollars below the Senate figure for these many public works projects. Most of them are good projects and will bring great revenue back to the Federal Treasury in due time. Of course, there are some of these projects which are not reimbursable. But in almost every instance where flood control projects are supported with Federal funds the local municipalities, the various areas and counties and regions do contribute a considerable sum in participation.

And so, Mr. Speaker, I can only hope that the House will approve the conference report because I feel that it is completely justified; and also because we did reduce the budget considerably in the first instance and have reduced the other body's request by many millions of dollars.

Mr. CRAMER. Mr. Speaker, will the gentleman yield?

Mr. JENSEN. I yield to the gentleman from Florida.

Mr. CRAMER. Mr. Speaker, I notice on page 22 of the report, funds appropriated to the President under title IV are \$400 million. That is the accelerated public works program about which the gentleman spoke, is it not?

Mr. JENSEN. Yes.

Mr. CRAMER. This is what has been of concern to me on this accelerated program. I think it is fully documented in the hearings. This is a \$400 million blank check to the executive branch of the Government to spend, not particularly on anything they want, in the form of anything that local authorities could build; they do not even know what the projects are. I refer to page 7 of the hearings in which Senator YOUNG had

this to say when he was advised by Mr. Gudeman representing the Department, that they could not provide him with a list of the projects:

Senator Young. This is a completely new departure from the procedures of Congress. I do not see how Congress could go along with this kind of absurd proposal. We appropriate \$900 million and know nothing about the various projects that are going to be embarked upon; is this what you are proposing?

Then we get into what these projects are. I know a lot of people laugh when we discuss this thing on the floor of the House with reference to the type of projects that might be involved. They are listed here in the hearings. For instance, on page 94, in New Jersey, a city hall in Long Branch; a bus terminal in Passaic; a reformatory in Bordentown; an incinerator in Newburgh; a swimming pool in Grants Pass.

This is all being paid for by 50 percent Federal money and if the State cannot match it, it is being paid for 75 percent by Federal money.

Let me call your attention to this. This is a fairground expansion in Allegheny County, Pa.; a swimming pool in Clearfield; a subway extension in Philadelphia; a stadium in Pittsburgh; a zoological garden in Pittsburgh; a public market in Arecibo; a coliseum in San Juan, the last two in Puerto Rico; and so forth. There is a hydroelectric project in here.

This is what is happening to this boondoggle program.

Mr. JENSEN. Mr. Speaker, just let me say this. The reason Mr. TABER and I reserved on the \$400 million item for this accelerated public works program was for the very reason the gentleman from Florida [Mr. CRAMER] has just read into the RECORD.

Mr. CRAMER. Mr. Speaker, will the gentleman yield further?

Mr. JENSEN. I yield.

Mr. CRAMER. Here is a horse and foot trail in Minnesota; irrigation power in Arizona.

These are examples of what this money is going to be spent for, just to get the money out and to get it spent. I say that this shows what a poor program it is. I think the gentlemen should be congratulated for reserving on it.

Mr. CANNON. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The conference report was agreed to.

A motion to reconsider was laid on the table.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 2: Page 4, line 12, strike out "\$762,361,000" and insert "\$807,962,500".

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of

the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert: \$791,580,500.

Mr. CANNON. Mr. Speaker, I move the previous question.

Mr. SIKES. I want to be heard.

Mr. CANNON. The hour is late. Many Members have their tickets and reservations. They are in no mood to listen to oratory, so I move the previous question.

The SPEAKER. Does the gentleman from Missouri yield time to any Member?

Mr. CANNON. No. I move the previous question.

The SPEAKER. Without objection, the previous question is ordered.

The question is on the motion offered by the gentleman from Missouri [Mr. CANNON] to recede and concur in the Senate amendment with an amendment.

The question was taken, and the Speaker announced that the yeas appeared to have it.

Mr. CANNON. Mr. Speaker, I ask for the yeas and nays.

Mr. Speaker, I make the point of order that a quorum is not present and ask for the yeas and nays.

The SPEAKER. Does the gentleman object to the vote on the ground that a quorum is not present or ask for the yeas and nays?

Does the gentleman object to the vote?

Mr. CANNON. I make the point of order that a quorum is not present and ask for the yeas and nays.

The SPEAKER. The gentleman from Missouri makes the point of order that a quorum is not present and objects to the vote on the ground that a quorum is not present.

The Chair will count.

Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 84, nays 120, not voting 230, as follows:

[Roll No. 292]

YEAS—84

Abbitt	Goodell	Montoya
Ashbrook	Goodling	Morse
Ayres	Griffin	Mosher
Bates	Gross	Natcher
Beermann	Gubser	Patman
Betts	Halleck	Pillion
Boland	Halpern	Poff
Bolton	Hardy	Ray
Broomfield	Harrison, Wyo.	Reece
Broyhill	Horan	Rhodes, Ariz.
Bruce	Jensen	Riehlman
Byrnes, Wis.	Johansen	Rooney
Cannon	Jonas	Roudebush
Chenoweth	Keith	Rutherford
Church	Kitchin	St. George
Clancy	Knox	Saylor
Colmer	Kunkel	Schneek
Cooley	Lane	Schweiker
Cunningham	Latta	Smith, Iowa
Curtis, Mo.	Lesinski	Smith, Va.
Daddario	Mahon	Springer
Dole	Mailliard	Taber
Feighan	Mathias	Thomson, Wis.
Ford	Mayer	Tollefson
Fountain	Miller, N.Y.	Van Pelt
Gary	Milliken	Walter
Gathings	Minshall	Whitten
Gonzalez	Monagan	Winstead

NAYS—120

Abernethy	Flynt	Olsen
Addabbo	Forrester	Perkins
Albert	Frelinghuysen	Pfost
Anderson, Ill.	Fulton	Pike
Ashley	Gilbert	Pilcher
Ashmore	Granahan	Price
Avery	Gray	Pucinski
Baldwin	Green, Pa.	Purcell
Battin	Hagan, Ga.	Randall
Beckworth	Hagen, Calif.	Rhodes, Pa.
Bennett, Fla.	Hansen	Rivers, S.C.
Blatnik	Harsha	Roberts, Tex.
Boggs	Healey	Rogers, Fla.
Bonner	Hechler	Rosenthal
Bow	Herlong	Ryan, Mich.
Brademas	Holland	Ryan, N.Y.
Bray	Huddleston	St. Germain
Brooks, Tex.	Jarman	Selden
Burke, Mass.	Jennings	Sikes
Burleson	Joelson	Sisk
Byrne, Pa.	Johnson, Calif.	Slack
Cahill	Karsten	Smith, Miss.
Casey	Kearns	Steed
Chelf	Kilgore	Stephens
Coad	Kirwan	Stubblefield
Cohelan	Kluczynski	Teague, Tex.
Cook	Lankford	Thomas
Corbett	Libonati	Thornberry
Cramer	McFall	Toll
Davis, Tenn.	Madden	Trimble
Dawson	Matthews	Tuck
Delaney	Mills	Udall, Morris K.
Dorn	Moorhead, Pa.	Vanik
Dowdy	Morris	Waggonner
Dulski	Murphy	Westland
Dwyer	Murray	Wharton
Edmondson	Nix	Wickersham
Everett	Norblad	Willis
Fallon	Norrell	Young
Fisher	O'Hara, Ill.	Zablocki

NOT VOTING—230

Adair	Durno	Laird
Alexander	Elliott	Landrum
Alford	Ellsworth	Langen
Alger	Evins	Lennon
Andersen,	Farbstein	Lindsay
Minn.	Fascell	Lipscomb
Andrews	Fenton	Loser
Anfuso	Findley	McCulloch
Arends	Finnegan	McDonough
Aspinall	Fino	McDowell
Auchincloss	Flood	McIntire
Bailey	Fogarty	McMillan
Baker	Frazier	McSweeney
Baring	Friedel	McVey
Barrett	Gallagher	Macdonald
Barry	Garland	MacGregor
Bass, N. H.	Garmatz	Mack
Bass, Tenn.	Gavin	Magnuson
Becker	Gialmo	Marshall
Belcher	Glenn	Martin, Mass.
Bell	Grant	Martin, Nebr.
Bennett, Mich.	Green, Oreg.	Mason
Berry	Griffiths	Meador
Blitch	Haley	Morrow
Bolling	Hall	Michel
Boykin	Harding	Miller,
Breeding	Harris	George P.
Brewster	Harrison, Va.	Moeller
Bromwell	Harvey, Ind.	Moore
Brown	Harvey, Mich.	Moorehead,
Buckley	Hays	Ohio
Burke, Ky.	Hébert	Morgan
Carey	Hemphill	Morrison
Cederberg	Henderson	Moss
Celler	Hiestand	Moulder
Chamberlain	Hoeven	Multer
Chiperfield	Hoffman, Ill.	Nedzi
Clark	Hoffman, Mich.	Nelsen
Collier	Holifield	Nygaard
Conte	Hosmer	O'Brien, Ill.
Corman	Hull	O'Brien, N.Y.
Curtin	Ichord, Mo.	O'Hara, Mich.
Curtis, Mass.	Inouye	O'Konski
Dague	Johnson, Md.	O'Neill
Daniels	Johnson, Wis.	Osmer
Davis,	Jones, Ala.	Ostertag
James C.	Jones, Mo.	Passman
Davis, John W.	Judd	Pelly
Dent	Karath	Peterson
Denton	Kastenmeller	Philbin
Derounian	Kee	Pirnie
Derwinski	Kelly	Poage
Devine	Keogh	Powell
Diggs	Killburn	Quie
Dingell	King, Calif.	Rains
Dominick	King, N.Y.	Reifel
Donohue	King, Utah	Reuss
Dooley	Kornegay	Riley
Downing	Kowalski	Rivers, Alaska
Doyle	Kyl	Roberts, Ala.

Robison	Sheppard	Ullman
Rodino	Shipley	Utt
Rogers, Colo.	Short	Van Zandt
Rogers, Tex.	Shriver	Vinson
Roosevelt	Sibal	Wallhauser
Rostenkowski	Siler	Watts
Roush	Smith, Calif.	Weaver
Rousselot	Spence	Weis
Santangelo	Stafford	Whalley
Saund	Staggers	Whitener
Schadeberg	Stratton	Widnall
Scherer	Sullivan	Williams
Schneebeli	Taylor	Wilson, Calif.
Schwengel	Teague, Calif.	Wilson, Ind.
Scott	Thompson, La.	Wright
Scranton	Thompson, N.J.	Yates
Seely-Brown	Thompson, Tex.	Younger
Shelley	Tupper	Zelenko

(After completion of first call of the roll:)

Mr. AVERY. Mr. Speaker—

The SPEAKER. For what purpose does the gentleman from Kansas rise?

Mr. AVERY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. AVERY. What motion is the House presently voting on?

The SPEAKER. The Chair will state that the parliamentary inquiry is very pertinent. The Chair will state in response that the House is voting on a motion which was made by the gentleman from Missouri [Mr. CANNON] to recede and concur in a Senate amendment, with an amendment.

Mr. CANNON. Mr. Speaker, my motion was for the previous question.

The SPEAKER. The House is voting on a motion made by the gentleman from Missouri to recede and concur in the Senate amendment, with an amendment.

That is the motion pending at the present time.

The Clerk will proceed to call the roll of those Members who failed to answer on the first rollcall.

(The Clerk resumed calling the roll.)

Mr. CRAMER (interrupting call of the roll). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. CRAMER. Mr. Speaker, do I understand the parliamentary situation to be that the motion now being voted upon is a motion to recede and concur in a Senate amendment with an amendment, and a vote "no" is a vote for \$205,000 for the Florida Cross-State Barge Canal planning, and a vote of "aye" is against it?

The SPEAKER. The Chair has already stated that the parliamentary inquiry is correct in response to the inquiry of the gentleman from Kansas [Mr. AVERY]. The Chair is confident that the Members know what they are voting upon.

(The Clerk resumed calling the roll.)

Mr. HARDY, Mr. ABBITT, Mr. GATHINGS, Mr. ASHBROOK, Mr. BYRNES of Wisconsin, and Mr. GARY changed their vote from "nay" to "yea."

Mr. BLATNIK, Mr. BOW, and Mr. AVERY changed their vote from "yea" to "nay."

Mr. GROSS (interrupting the rollcall). Mr. Speaker, I demand the regular order.

The SPEAKER. The regular order is proceeding.

Mr. GROSS (interrupting the rollcall). Mr. Speaker, I demand the well be cleared.

The SPEAKER. Members will take their places out of the well.

Mr. GROSS (interrupting the rollcall). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Mr. Speaker, how many times must a Member check how he has voted?

The SPEAKER. That is not a parliamentary inquiry.

Mr. EDMONDSON (interrupting the rollcall). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. EDMONDSON. Mr. Speaker, is it possible to have a recapitulation of the votes that have been cast in advance of the announced vote?

The SPEAKER. The Chair will state that there has been no vote announced as yet. Therefore, at this point it is not possible to request a recapitulation.

(The Clerk resumed calling the roll.)

Mr. COLMER (interrupting the rollcall). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. COLMER. Mr. Speaker, in the event that a quorum is shown not to be present, what procedure is then left to the House?

The SPEAKER. The House can wait until a quorum arrives, or a motion to adjourn would be in order.

Mr. CANNON. Mr. Speaker, is a quorum present?

The SPEAKER. The rollcall has not as yet been completed.

Mr. CANNON. Mr. Speaker, in the absence of a quorum only one motion is in order, and that is to adjourn. I move that the House now adjourn.

The SPEAKER. The Chair has not announced the fact that a quorum is not present as yet. At this point that motion is not in order.

(The Clerk resumed calling the roll.)

Mr. EDMONDSON (interrupting the rollcall). Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. EDMONDSON. May a recess be declared in advance of the completion of the vote?

The SPEAKER. The Chair will state that the present situation the Chair may not declare a recess with a rollcall in process.

Mr. ALBERT. Mr. Speaker, I ask that the Chair announce the vote.

The SPEAKER. On this vote, there were 84 yeas and 120 nays.

So a quorum is not present.

ADJOURNMENT

Mr. ALBERT. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 10 o'clock and 31 minutes p.m.), the House adjourned until tomorrow, Saturday, October 13, 1962, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

2627. Under clause 2 of rule XXIV, a letter from the Secretary of Commerce, transmitting the second semiannual report on activities of the U.S. Travel Service, pursuant to section 5 of the Internal Travel Act of 1961, was taken from the Speaker's table and referred to the Committee on Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BONNER: Committee of conference. H.R. 11586. A bill to amend section 2 of the act of July 7, 1960, as amended, to continue the 56-percent limit on construction-differential subsidy for construction, reconstruction, and reconditioning of ships for 3 additional years; without amendment (Rept. No. 2556). Ordered to be printed.

Mr. DAVIS of Tennessee: Committee of conference. H.R. 13273. A bill authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes; without amendment (Rept. No. 2557). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PILLION:

H.R. 13410. A bill to amend title III of the act of March 3, 1933, commonly referred to as the "Buy American Act," as it relates to the acquisition of steel, steel products, and steel materials for public use; to the Committee on Public Works.

By Mr. ALGER:

H.R. 13411. A bill to provide a simple alternative to the Internal Revenue Code of 1954; to tax the broadest tax base—national income—at the lowest rate that will balance the budget and stabilize prices, and thereby raise net personal incomes and promote economic growth; and for other purposes; to the Committee on Ways and Means.

By Mr. HAGEN of California:

H.R. 13412. A bill to authorize the conveyance of certain Federal land under the jurisdiction of the Naval Ordnance Test Station, China Lake, Calif., to the county of Kern, State of California; to the Committee on Armed Services.

By Mr. O'BRIEN of New York:

H.R. 13413. A bill to promote the economic and social development of the Trust Territory of the Pacific Islands, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. MORRIS K. UDALL:

H.J. Res. 905. Joint resolution to authorize the Architect of the Capitol to construct the third Library of Congress building in square 732 in the District of Columbia, to provide that such building shall be designated the President James Madison Memorial Library, thus making totally unnecessary the destruction of scores of fine residences and saving at least \$39 million by combining the

14. LAND GRANTS. Rep. Conte commended the Morrill Act and discussed its relationship to the development of the University of Massachusetts. pp. 22228-9
15. ELECTRIFICATION. Rep. Saylor criticized Clyde T. Ellis, General Manager of the National Rural Electric Cooperative Association and said, "I call upon Clyde Ellis to apologize to the mass of the American people who are satisfied that the great investor-owned electric utility industry ... is the necessary backbone of our economy." p. 22233
16. PERSONNEL. Passed without amendment H. R. 10539, to amend the Federal Employees Health Benefits Act of 1959 to provide additional choice of health benefits plans. pp. 22237
17. ASC COMMITTEES. Rep. Staggers praised the ASC county committees saying, "I commend these farmer committees for their exceptionally fine record of local farm program administration." p. 22245
18. LEGISLATIVE RECORD Rep. Albert summarized the legislative accomplishments of the 87th Congress. pp. 22242-4
19. ADJOURNMENT. Agreed to H. Con. Res. 584, providing for the sine die adjournment of the 87th Congress, and adjourned sine die. pp. 22234, 22252

SENATE - Oct. 13

20. APPROPRIATIONS. The Senate agreed to the conference report on H. R. 12900, the public works appropriation bill for 1963 (the House had agreed to it on Oct. 12), and both Houses agreed to amendments which had been reported in disagreement (pp. 22176-90, 22195-208). This bill will now be sent to the President. As agreed to the bill includes \$400,000,000 for the accelerated public works program, one-third of which is to be used for public works projects in rural areas.

Agreed to a resolution by Sen. Russell (S. Res. 415) requesting this Department "to submit to the Director of the Budget and to the Congress in time to be considered in connection with the first supplemental appropriation bills before the Congress in the 88th Congress the most effective program available for research to discover new uses for agricultural commodities" and that "the Secretary be requested to limit this program to items costing not in excess of \$35,000,000 per annum above current allowances for 1963 for utilization research to discover new uses for agricultural commodities." p. 22191

Agreed to a resolution by Sen. Russell (S. Res. 414) stating "That the Senate respectfully asserts its power to originate bills appropriating money for the support of the Government and declares its willingness to submit the issue either for declaratory judgment by the appropriate appellate court of the United States or to an appropriate commission of outstanding educators specializing in the study of the English language to be chosen in equal numbers by the President of the Senate and the Speaker of the House." p. 22191

Sen. Hayden inserted a summary of the budget estimates, the amounts in the House and Senate versions of the bills, and the final amounts agreed to in conference for all appropriation bills this session of Congress. p. 22192

21. FEED GRAINS. Sen. Morse criticized differential prices of feed grains as discriminating against the Northwest in favor of the Midwest, urged this Department to take action to eliminate differential prices, and inserted several items to support his position. pp. 22163-8

22. PUBLIC WORKS. Agreed to the conference report on H. R. 13273, the public works authorization bill for rivers and harbors and flood control projects. This bill will now be sent to the President. pp. 22172-6
23. AREA REDEVELOPMENT. Sen. Morse inserted a report on the status of area redevelopment projects in Ore. pp. 22160-2
24. RECLAMATION. Sen. Proxmire inserted an editorial commending his fight against an appropriation for preliminary work on the Glen Elder Dam and irrigation project in Kan. p. 22160
25. RECONVENING OF CONGRESS. Both Houses passed H. J. Res. 907, providing that the 88th Congress shall assemble at noon on Wed., Jan. 9, 1963. This measure will now be sent to the President. pp. 22193, 22235
26. ADJOURNMENT. Agreed to H. Con. Res. 584 and adjourned sine die. p. 22194

ITEMS IN APPENDIX

27. LEGISLATIVE SUMMARY. Extension of remarks of Reps. Smith, Ia., Toll, Byrnes, Evins, Pucinski, Wallhauser, Westland, and Pfoister reporting on the accomplishments of the 87th Congress. pp. A7631-2, A7650-2, A7655-8, A7659-60, A7686-7, A7698-9, A7700-1, A7714-5
28. BUDGET. Extension of remarks of Sen. Saltonstall inserting a table prepared by the Bureau of the Budget "giving important budgetary figures from 1946 to the present." p. A7652
29. FOREIGN TRADE. Extension of remarks of Rep. Green commending those who supported the President's trade bill and inserting an article on the subject. pp. A7661-2
30. ELECTRIFICATION. Extension of remarks of Rep. Magnuson expressing interest in the approval by REA of a loan to the Big Rivers Rural Electric Cooperative Corp., of Henderson, Ky. pp. A7677-9
31. FARM PROGRAM. Extension of remarks of Rep. Hoeven stating that Rep. Cooley "took issue with several statements which I had made on October 1, 1962, about the New Frontier farm program. I would like to take this opportunity to rebut a few of these criticisms." pp. A7703-4

BILLS INTRODUCED

32. LAWS. S.J. Res. 238, by Sen. Javits, providing for the establishment of a Commission on the Revision of Federal Agricultural Laws and Programs; to Agriculture and Forestry Committee. Remarks of author, p. 22077
33. TERRITORIES. H. R. 13413, by Rep. O'Brien, N.Y., to promote the economic and social development of the Trust Territory of the Pacific Islands; to Interior and Insular Affairs Committee.

It is no answer to say, as the FPC amendment suggests, that Duke Power Co. could utilize the reservoir which caused Duke's dam to be destroyed. We are sure that the committee can understand our fear of having a \$280 million plant located upon a reservoir over which we had absolutely no control. Such a reservoir might be drained for work on its dam or power facilities, leaving our steamplant without cooling water and, therefore, useless. In addition, the location of Duke's plant on the slack water of a reservoir after removal of Duke's dam would permit recirculation of the warm water discharged from the plant's condensers. This would substantially reduce both the efficiency and the capacity of Duke's steamplant.

When these factors are considered, we believe the committee will understand why we cannot undertake this project if the condition contained in the FPC amendment is imposed.

We would like to leave with the committee a memorandum covering the requested Federal Power Commission amendment. We urge the committee to conclude that this is a burdensome and unnecessary amendment, and that the indemnity clause contained in H.R. 6789, and previously enacted by the Congress in 1947 for our Dan River plant, is satisfactory.

WHY A DUKE POWERPLANT ON THE SAVANNAH RIVER?

Duke Power Co. has for many years planned the eventual location of one or more major generating plants on the Savannah River, and long ago purchased substantial areas of land on the river for this purpose. Over 2,200 acres of the company's land was condemned for the Clark Hill Federal project, and over 3,600 acres for the Hartwell project. On land remaining which it owns on the Savannah, the company now proposes constructing the above-mentioned steamplant. We own substantially all of the land necessary for our steamplant and its cooling water reservoir.

Duke's entire area is served by an integrated system of high-voltage transmission lines. The company is now in the process of completing a 230,000 volt trunk transmission line system throughout the area. Generation at any one point on the system is fed into this interconnecting transmission network and becomes a part of the combined total production which is used to supply the area. Generation by Duke on the Savannah River would be fed into this interconnected transmission system. In addition, it should be noted that our system will be interconnected with that of Georgia Power Co., and the generation from our Savannah River plant will also be a valuable backup to that company.

The southwestern part of the company's service area which is bounded by the Savannah River has been undergoing rapid industrial and population growth. This area includes Anderson and Greenville, S.C. Present annual energy requirements within the area are about 5.1 billion kilowatt-hours, and it is expected that by 1970 the requirement of the area will have doubled. Obviously, it is desirable that additional generating facilities be provided in this vicinity.

There is no other river in the southwestern portion of the Duke area having a streamflow sufficient to provide cooling water for the 2 million kilowatt steamplant Duke proposes for this area.

SUMMARY

In summary, Duke Power Co. calls special attention to the following aspects of its proposed plant:

1. The projected growth of the company's service area demands the location of a large steamplant in the lower end of its system, and the Savannah River is the only stream

capable of providing cooling water adequate for the size of the plant required in this portion of Duke's service area.

2. The proposed plant will be of tremendous economic benefit to the area, both in construction and operation. It will provide jobs for many during construction and a large annual payroll for operation; it will consume approximately 3.5 million tons of coal per year; it will produce a substantial volume of taxes for both Federal and local governments; and it will generate the large quantities of firm electric power which will be needed for the industrial development of the region. (This plant will support the system of Georgia Power Co., as well as Duke Power Co., through interconnections between the two companies.)

3. The proposed plant will not prevent the construction of the Trotters Shoals project presently proposed by the Army Engineers, should Congress decide to authorize it. For the purpose of avoiding conflict between the two projects, Duke Power Co., will be spending substantially more than its project would otherwise cost.

4. The entire South Carolina congressional delegation supports Duke's plant and H.R. 6789.

5. The plans for our plant must be approved in detail by the Army Engineers, who have traditionally controlled structures in navigable streams. The granting of similar approval authority to the Department of Interior is not necessary and would seriously delay, if not prevent, construction of Duke's plant.

6. The Federal Power Commission's suggested amendment requiring Duke to remove its dam under certain conditions is not necessary, has not been enacted heretofore, and would prevent construction of this plant.

We urge the committee to give H.R. 6789 a favorable report in its present form which has been approved by the Army Engineers.

Mr. RANDOLPH. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from West Virginia.

Mr. RANDOLPH. Mr. President, for the record it should be said that the chairman [Mr. KERR] of the conference committee on the part of the Senate has indicated that there was an agreement by the managers on the part of the House that the hearings on the eight projects which have been spelled out here today would be held early next year, possibly beginning in January. I think it is important to indicate that the Senator from Oklahoma requested this action on the part of the Public Works Committee in the House. That was not initiated by the managers on the part of the House, but came from the Senate request.

I believe it is factual to state to Senators who have an intense interest in certain projects that this was the desire and determination expressed by the Senator from Oklahoma [Mr. KERR], the chairman of the conferees on the part of the Senate. Others of us were privileged to work with him, to insist that the House hearings be held early next year. That was the agreement entered into after the initiative was taken by the Senator from Oklahoma.

There were 13 days of hearings in the Senate Subcommittee on Flood Control—Rivers and Harbors and approximately 100 hours of testimony was heard. Thorough consideration was given to these projects representing all sections

of the country. There are 17 members of the Committee on Public Works chaired by the experienced and effective Senator CHAVEZ. Our subcommittee consisted of the following: ROBERT S. KERR, chairman; PAT McNAMARA, JENNINGS RANDOLPH, STEPHEN M. YOUNG, EDMUND S. MUSKIE, FRANK E. MOSS, OREN E. LONG, BENJAMIN A. SMITH II, LEE METCALF, JOHN SHERMAN COOPER, HIRAM L. FONG, J. CALEB BOGGS, JACK R. MILLER, MAURICE J. MURPHY, Jr., and JAMES B. PEARSON.

Several of these men presided over hearings lasting 8 hours or longer. They were patient and helpful in moving the projects ahead, with the assistance of the committee staff, and witnesses.

It is timely also to stress that often, and mistakenly, such projects—almost 200 involved in this legislation—are referred to as "pork barrel" items. That is a misnomer. The citizens of our country should realize rather than pork barrel projects, that these are projects definitely in the public interest. They contribute to the national wealth, and strengthen the economic base of the country. They are dividend producing projects.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. KERR. I yield to the distinguished Senator from Alabama.

Mr. SPARKMAN. I have listened with a great deal of interest to the discussion of the conference report. I know something of the task involved in bringing about the settlement.

I have no interest individually in those projects which have been left out. I mean that they do not affect my State. I am interested, of course, as a citizen and as a Member of the U.S. Senate.

There is something which I think is a little ominous contained in the statement that the House conferees would not accept the projects because the House had not been able to hold hearings on the projects, and that therefore they were eliminated. It is true that we have been given a promise of early hearings next year.

My question is, are we moving gradually but surely into a position in which the Senate cannot initiate portions of legislation, based upon hearings the Senate holds? For instance, my understanding is that with respect to many of these projects, and perhaps all of them, the budget estimates were sent to Capitol Hill after the bill had passed the House, that those were before the Senate, and that the projects had been cleared.

Is the Senate to be barred from any initiative in legislative matters? Goodness knows, an apparent effort has been made to bar the Senate on appropriation matters from adding new items, and from taking an initiative on its own part. Is that to be extended to the legislative field? If so, I am concerned.

I know that often, in the legislative committees of which I am a member, new matters are considered by the committees. Sometimes the Senate committees initiate and the Senate passes legislation which goes to the other body,

and the committee in the other body adds new material to the proposed legislation after hearings held there. Does that mean we have a right to object to that process, because the Senate has not held hearings?

My answer to the question, of course, is in the negative. By the same token, I do not believe that the House of Representatives has the right to say that the Senate cannot add projects to legislation already passed by the House simply because the House has not held hearings on those particular projects.

I wish to lodge one protest against any such understanding as that, and I think the RECORD ought to show clearly that it is not our intention that that should become a precedent which would rule in the future.

I thank the Senator for yielding.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the conference report.

The report was agreed to.

Mr. KERR. Mr. President, I move to reconsider the vote by which the conference report was agreed to.

Mr. JORDAN of North Carolina. Mr. President, I move to lay that motion on the table.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KERR. Mr. President, with reference to the remarks by the distinguished Senator from Alabama, for which I am grateful, because they call to mind a matter about which considerable has been said and much more thought, I wish to say that the Senate added to the bill about 44 projects or items relating to projects. There were some three projects added in the action by the Senate. Of these thus added by the Senate, about 37 were kept in conference. Therefore, I say to my good friend that the Senate had a good deal to say about what went into the bill.

In addition, we added provisions in the bill concerning a new method of approach on beach erosion. We added a new method of approach on implementation of recreation. A very significant provision was added by the Senate Committee on Public Works in connection with the handling by the Bureau of Reclamation of the replacement of highways in multiple-purpose projects or water resources projects.

The distinguished Senator will remember that in 1960, the Senate added provisions to the omnibus rivers and harbors and flood control bill which allows a new formula for the Corps of Engineers as to the replacement of highways in multiple-purpose projects and water retention reservoirs. Under previous procedures, which was more administrative than legislative, the Corps of Engineers, in the replacement of highway facilities, would allow only enough money to replace the existing highway facility in kind; that is, to the same specifications as the existing roads.

We all know that these reservoirs are built in areas where sometimes the high-

ways are 10, 15, 20, 30, and 40 years old. When these roads were built, they were built in accordance with the standards of those days and more adequate to accommodate traffic of those days. But in 1960 we provided that the Corps of Engineers could pay the cost of their building of the new highways so that they would be of standards adequate to accommodate present day traffic needs. Through an oversight we did not make that rule applicable to the roads replaced by the Bureau of Reclamation in connection with reclamation projects. That situation was corrected in the bill, and the same provision added for that Bureau. There were additional provisions which related to emergency flood control work small flood control projects and measures which will be of great help in developing our water resources projects. I wish to pay special tribute to our great chairman, the Senator from New Mexico [Mr. CHAVEZ], who provided so much leadership in the development of the proposed legislation, and the wonderful staff of the committee, which spent many weeks preparing for hearings and assisting in the 13 days of hearings that the Public Works Committee had on the proposed legislation.

I pay special tribute to the members of the committee who worked, in the busiest time of the present session, long hours of the day, including Saturdays, to get the bill ready to bring to the Senate; and to Senators who served on the conference with the Senator from Oklahoma, including the Senator from Michigan [Mr. McNAMARA], the Senator from West Virginia [Mr. RANKIN], the Senator from Kentucky [Mr. COOPER], and the Senator from Hawaii [Mr. FONG]. Their service was faithful, devoted, and of great help and benefit.

In connection with the hearings, the present Presiding Officer [Mr. METCALF in the chair] spent many days in conducting the hearings, as did also the Senator from West Randolph [Mr. RANDOLPH], the Senator from Ohio [Mr. YOUNG], and the Senator from Michigan [Mr. McNAMARA].

Mr. President, I wish to pay tribute to the chairman of the House Rules Committee—a very great, honorable, and highly respected gentleman.

The proposed legislation passed the House and then the Senate very late in the session, with certain differences. The measure went back to the House. It was apparent that if we were to accommodate our differences and have a bill, a conference would be necessary.

The Senator from Oklahoma made the statement about the distinguished chairman of the Rules Committee and about the Senator from Oklahoma that they were a couple of tough and rugged characters. They were stubborn and of very positive convictions and thinking. But I respect stubbornness. I respect positive convictions. The distinguished Representative from Virginia, Mr. HOWARD SMITH, is one of the great public servants of this period in our history. I hope he lives long and continues in the service of his country.

I do not agree with him on a number of things. By the same token, he does

not agree with me on a number of things.

Such differences do not reduce my respect—indeed, my esteem and affection—for him. But I wish to remind Senators that due to the amount of influence or the position that the distinguished chairman of the Rules Committee has, he could have, for a considerable number of days, either prevented a rule being given that could result in a conference or certainly create delay. But he agreed to the Rules Committee giving a rule and, as Senators know, after that was done he could have put it in his pocket for 10 days if he had wanted to. Determined as he was to bring about certain results, he still recognized the propriety and the wisdom of permitting the legislative process to have its way and in having a conference.

The Senator from Oklahoma does not blame him for having called the House conferees in before he gave that rule and asked them if they would stand firm in reference to certain projects in the bill. If the Senator from Oklahoma had had the positive convictions that the chairman of the Rules Committee did about these things, he probably would have tried in some way—which perhaps would not have been as apparent or as highly publicized—to have gained his objective. But if the Senator from Oklahoma had felt positive enough about it and had arrived at the conclusion that the only way to accomplish his objective was the way in which the distinguished Representative from Virginia did it, he might have done the same thing.

But I wish to say to his credit that he made it possible this week for us to have a conference, which ended yesterday.

I see by my calendar that yesterday was Friday, October 12, which was an historic day, Mr. President. It was the anniversary of the discovery of America by Christopher Columbus. That was a more important event than a successful determination of the conference. But I wish to say that the conference termination and accomplishment was of great significance and enhanced Columbus Day. It certainly did nothing to cast any eclipse or darkness upon it.

Therefore, Mr. President, I am deeply indebted, as I believe the Senate is, to the chairman of the committee, the members of the staff, the House conferees, the leadership of the House and the Senate, and to the great Representative from Virginia, Judge HOWARD SMITH.

PUBLIC WORKS APPROPRIATION BILL, 1963—CONFERENCE REPORT

Mr. RUSSELL. Mr. President, I submit a report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12900) making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the St. Lawrence Seaway Development Corporation, the Tennessee Valley Authority, and certain river basin commissions, for the fiscal year ending

June 30, 1963. I ask unanimous consent for the present consideration of the report.

The ACTING PRESIDENT pro tempore. The report will be read for the information of the Senate.

The legislative clerk read the report.

(For conference report, see House proceedings of October 4, 1962, p. 21184, CONGRESSIONAL RECORD.)

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the report?

There being no objection, the Senate proceeded to consider the report.

Mr. RUSSELL. Mr. President, as everyone knows, the bill was handled in the Senate by the distinguished Senator from Louisiana [Mr. ELLENDER]. I present the report due to the fact that the Senator from Louisiana is necessarily absent today. The conference report was signed by all the conferees of the Senate who participated in the conference.

At the conclusion of the conference, our chairman, the Senator from Louisiana, stated that he felt that, considering the bill as a whole, the Senate had fared very well in our conference with the House. With respect to general investigations, the conference figure of \$17,870,300 is \$1,308,400 over the amount approved by the House, and \$1,322,000 under the Senate figure. I believe, with one or two exceptions that were taken care of this afternoon in the other body, the Senate conferees did very well in maintaining a large number of the projects which the Senate provided for during the consideration of the bill.

The Senate added 21 new starts under "Construction, general." In the floor action in the other body, to which I referred a moment ago, two additional new construction starts, previously approved by the Senate, were restored to the bill. The bill, therefore, provides for 18 out of the 21 new starts added by the Senate.

It is unnecessary to say that the Senate conferees, especially our distinguished chairman, the senior Senator from Louisiana [Mr. ELLENDER] would personally have liked to have seen all of the Senate amendments saved in the conference.

I might say that our chairman and the members of the conference committee—but particularly the chairman, who has more familiarity with the bill than any other individual in Congress—waged a very valiant fight in conference to save these projects.

Generally speaking, the House sent us a good bill this year. As you will recall, for the past few years the House has inserted some new unbudgeted construction projects. This year's projects, on examination by the Senate committee, proved to be desirable, and the committee approved their inclusion, as we have done with similar projects in years past.

In a few minutes I intend to move that the Senate concur in the House amendment to the Senate amendment No. 2. Senators will recall that when the supplemental appropriation bill was before the Senate, certain items were inserted in the bill which had not been

agreed to in the conference report on the bill.

One item under "Construction, general," was in actual disagreement. That is the item which pertains to a budgeted item of \$205,000 for the completion of planning on the Cross Florida Barge Canal. The House did not approve the item originally. It had a budget estimate and was inserted in the bill by the Senate.

The chairman of the House conferees moved that the House recede from its disagreement to the amendment of the Senate No. 2, and agree to the same. That amendment would have made the general construction figure \$791,585,000.

That motion was defeated by a rollcall vote in the House. A substitute motion, which was next in order under the Rules of the House, was then made by Representative SIKES, of Florida, to provide \$792,845,500. This would include all the funds contemplated in the motion offered by the chairman of the House Appropriations Committee, plus the following items:

The item in disagreement, which was the Cross Florida Barge Canal, for which the budgeted amount is \$205,000, to complete the planning for the project. The next item was Calumet Harbor and River development in Indiana and Illinois, \$110,000. Kaskaskia River, in Illinois, \$100,000. Then the Columbia and Lower Willamette Rivers below Vancouver, Wash., and Portland, Oreg., \$100,000. The Blue River Reservoir, Oreg., \$500,000. The Yaquina Bay and Harbor project, Oregon, \$200,000. Also \$50,000 to initiate planning on the Port Arthur Bridge over the Sabine Neches Waterway, Tex.

The total amount involved in the so-called Sikes motion was an increase of \$1,265,000. This amount was agreed to by a voice vote. The total construction item was, therefore, increased by that amount. That means that the amount, as it comes before us now, is \$792,845,500.

Therefore, I move that the Senate agree to the conference report. That will leave in disagreement the amendment to which I have referred.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

Mr. CHAVEZ. Mr. President, will the Senator yield?

Mr. RUSSELL. I yield.

Mr. CHAVEZ. In the supplemental appropriation bill there is contained an item of \$1,450,000 for the Navajo Reservation Irrigation District. What happened to that project?

Mr. RUSSELL. I assume that that item is still in the supplemental appropriation bill. Objection was made to laying down the bill before the other body, and the House has not considered the request of the Senate for a conference on that bill. The item is included in the supplemental bill. The other body, however, so far has not permitted the bill to go to conference. As the Senator knows, the Senate Committee on Appropriations approved that project.

Mr. CHAVEZ. That is right.

Mr. RUSSELL. I regret that it has not been laid down in the other body, but that is a matter which is wholly beyond the control of this humble servant.

Mr. KEATING. Mr. President, let me give just one example of the effect of not acting on the supplemental appropriation bill. Contained in the supplemental appropriation bill is a provision for payment of \$30 million to the civil service retirement and disability fund to finance the annuity benefits and increases provided for in the Postal Service and Federal Employees Salary Act. This is one of the measures the President frequently refers to in listing the achievements of this Congress. Yet unless this \$30 million payment is made, this provision of the act will be completely ineffective. It will be a hoax and anyone expecting an increase will be bitterly disappointed. This is a performance that can only be called shameful.

The argument will be made that the funds can be appropriated next year. But what guarantee is there that the same squabbling which has prevented action now would not prevent action next year? And if this increase is justified, why should the beneficiaries have to wait months before it is paid? There are no satisfactory answers to these questions. We will simply be breaking faith with those who thought that starting in January 1963, they would be getting the increase they were promised and deserve under this legislation.

We must take steps early in the next Congress to reform the procedures of the House and Senate. The appropriation process we are now following has broken down. There are simply too many opportunities for obstruction under the present system, and these opportunities have been fully exploited. The wasted motion, the duplication, the attitude of rule or ruin, has made it impossible for Congress to act on the fiscal problems of our Nation in any orderly or sensible way. This is causing tremendous difficulties in the operations of the Government. It produces results which are very unfair to individual members and States. It sounds silly to talk about inefficiency in the executive branch of the Government when we consider the dismal failure of our own procedures for dealing with appropriations.

It is incredible to realize that all of these appropriations will have to be considered again when we reconvene in January. The same hassles and, bickering will resume with hardly any interruption in just over 2 months. The mere prospect of a repeat performance of what we have been through this session is painful to contemplate.

I hope it will not be considered presumptuous to make some proposals for reform in appropriation procedures. One is that we have 2-year appropriations so that Congress can spend some of its valuable time on other than fiscal issues. Many State legislatures do this and the result would certainly be to save money as well as time.

Another is for the appropriation committees to begin their work before Con-

gress convenes so that we do not waste months at the beginning of every session waiting for bills to come out of committee. Another is to combine Senate and House appropriation hearings and staffs, still reserving to each body the power of independent decision.

We should have an appropriation's timetable for Congress and make the consideration of appropriation bills automatic so that they are not imperiled by procedural objections of individual members and a veto power by the Rules Committee of the other body.

These are commonsense procedures which it would seem any objective observer would favor. The prerogatives and privileges of a few Members cannot be allowed to stand in the way of their consideration if the Congress is to do its work in a manner deserving of public support.

Rules reform must be a matter of the highest priority in the next session of Congress.

MESSAGE FROM THE HOUSE

The ACTING PRESIDENT pro tempore laid before the Senate a message from the House of Representatives announcing its action on certain amendments of the Senate to House bill 12900, which was read as follows:

IN THE HOUSE OF REPRESENTATIVES, U.S.,
October 13, 1962.

Resolved, That the House recede from its disagreement to the amendments of the Senate numbered 4, 13, and 18 to the bill (H.R. 12900) entitled "An act making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes", and concur therein.

Resolved, That the House recede from its disagreement to the amendment of the Senate numbered 2, and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment insert "\$792,845,500".

Mr. RUSSELL. Mr. President, I ask unanimous consent that a summary and other tables showing how the money is distributed among the various titles of the bill be placed in the RECORD, at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit 1.)

Mr. SALTONSTALL. Mr. President, I move that the Senate concur in the House amendment to the Senate amendment No. 2, with an amendment as follows: Strike out "\$792,845,500" and insert "\$793,060,000".

This is a total of \$215,000 more than the House figure. It includes \$115,000 for the deep-water harbor project at Kaunakakai, Hawaii, which was included in the Senate version of the public works appropriation bill. Authorization for this project was approved by both the House and the Senate in the omnibus public works bill to which conferees have agreed. Earlier today the House approved the conference report and the Senate has just given its approval. The remaining \$100,000 provided in my amendment is for a flood control project

at Ansonia-Derby, Conn. This project, too, was contained in the public works appropriation bill as passed by the Senate.

I ask unanimous consent that a description of the two projects, the one in Hawaii, and the other in Connecticut, may be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

KAUNAKAKAI HARBOR, MOLOKAI, HAWAII

The island of Molokai is about 40 miles from this principal island of Oahu, where Honolulu is located and where more than 500,000 of Hawaii's 690,000 population live. The harbor of Kaunakakai is about 60 miles from Honolulu Harbor.

The main industry on Molokai is agriculture, chiefly a cash crop, pineapple. At present, the fresh pineapples are transported by barge to Honolulu where the fruit is processed in Oahu canneries. Until now, agricultural growth on Molokai has been severely hampered by lack of water in central and western Molokai. Underway, however, is a small reclamation project which will render arable 14,600 acres on Molokai, thereby greatly increasing pineapple production.

The early completion of the irrigation project and the imminent construction of pineapple canneries require that the Kaunakakai deepwater harbor project get underway as soon as possible. Then export commodities can be directly shipped from Molokai in large vessels, avoiding the costs of transshipment in Honolulu. This will be more practical, efficient, and economical than shipping Molokai commodities by barge or small ship to Oahu and then unloading and reloading cargoes for export.

The project has the approval of the Corps of Engineers and the Bureau of the Budget. The House has approved its authorization. The Senate has approved its authorization. There is no controversy over its authorization. It has an excellent benefit-cost ratio—4.4 to 1.

NAUGATUCK RIVER, ANSONIA-DERBY, CONN.— JUSTIFICATION

(H. Doc. No. 437, 87th Cong.)

Location: The city of Ansonia and the town of Derby are adjoining communities located in southern Connecticut on the Naugatuck River about 12 miles above Long Island Sound.

Authority: A resolution of the Public Works Committee of the U.S. Senate adopted September 14, 1955, and similar resolutions of the Public Works Committee of the House of Representatives of the United States adopted June 13 and 23, 1956, respectively.

Existing project: Federal flood-control improvements in the basin affecting Ansonia-Derby consist of seven reservoirs for flood control, authorized by Congress. One reservoir, Thomaston, is located at mile 30 on the main stream and has been in operation for flood control since September 1960. None of the other reservoirs are under construction.

Flood problem: Flooding of the Naugatuck River causes damages to residential, commercial, industrial, and other properties located in Ansonia-Derby, and creates health, safety, and economic problems which adversely affect the welfare of the cities.

Recommended plan of improvement: Provides for approximately 12,470 linear feet of levee and floodwall, with appurtenant works, for the protection of approximately 232 acres of industrial, commercial, and residential areas in Ansonia-Derby.

Estimated cost (price level of January 1960)

Federal.....	\$5,620,000
Non-Federal.....	380,000
Total.....	6,000,000

Project economics

	Federal	Non-Federal	Total
Annual charges:			
Interest and amortization.....	\$208,900	\$15,200	\$224,100
Maintenance and operation.....	0	10,700	10,700
Net loss of productivity.....	0	2,300	2,300
Total.....	208,900	28,200	237,100

Annual benefits

Damages prevented.....	\$206,000
Enhancement from reduction of flood hazard.....	84,000
Total.....	290,000

Benefit-cost ratio: 1.2.

Local cooperation: (a) Contribute in cash because of the more costly plan desired by local interests for the River Street area, 1.4 percent of the construction cost, presently estimated at \$80,000, to be paid either in a lump sum prior to start of construction or in installments prior to start of pertinent work items, in accordance with construction schedules as required by the Chief of Engineers, the final contribution to be determined after actual costs are known; (b) provide without cost to the United States all land easements, and rights-of-way necessary for construction of the project, including changes to highway bridges and roads, railroad track, sewers, and other utilities; (c) hold and save the United States free from damages due to the construction works; (d) maintain and operate all the works after completion in accordance with regulations prescribed by the Secretary of the Army; and (e) prevent encroachment on the improved channels or on the ponding areas, and if capacities are impaired, provide equivalent effective storage or pumping capacity without cost to the United States. Local interests are willing to furnish the items of local cooperation.

Comments of the State and Federal agencies:

Department of the Interior: Favorable.
Department of Commerce: Favorable.
Department of Agriculture: Favorable.
State of Connecticut: Favorable.

Comments of the Bureau of the Budget: No objection.

Mr. RUSSELL. Mr. President, I am somewhat familiar with the details of the projects that are included in this item, although I did not have primary responsibility in connection with the conference report. I certainly hope that the distinguished Senator from Massachusetts will carefully consider the possible consequences of amending the Senate amendment at this late date. I am sure the majority leader would like to make a statement, because Members on both sides have worked incessantly in trying to bring this measure to this stage. It would be unfortunate if we lost it after all this work had been done on it.

Mr. MANSFIELD. Mr. President, will the Senator from Massachusetts yield?

Mr. SALTONSTALL. I yield to the Senator from Montana.

Mr. MANSFIELD. I wish to join in the statement just made by the Senator from Georgia [Mr. RUSSELL] and to add my request to his, namely, that in view of the difficult circumstances in which we find ourselves at present, the Senator from Massachusetts will not press his amendment, which is a good amendment, and had been offered on the floor

of the Senate by the Senator from Connecticut [Mr. Bush] and the Senator from Hawaii [Mr. Fong], and which, I believe, was approved unanimously by this body.

I assure the Senator from Massachusetts that one of the first orders of business next January will be the consideration of these proposals and one other which had been approved by the Senate. I hope that with that assurance the acting minority leader will reconsider the offering of the amendment which is now pending and will withdraw it on the basis of the promise being made by the majority leader.

Mr. RUSSELL. Mr. President, I was authorized by the Senator from Florida [Mr. Holland], who handled the supplemental appropriation bill, to state for him that next year he will be glad to see to it that these items are given the most sympathetic attention in the first supplemental appropriation bill to be considered by Congress, and that if he has anything to do with that bill, he will include these projects.

Mr. SALTONSTALL. Mr. President, I deeply appreciate the statements of the two distinguished leaders on the other side of the aisle. The subject was discussed at considerable length in a private conference. I realize the problem in relation to the House with respect to these specific situations, especially the supplemental appropriation bill for this year.

The Senator from Connecticut and the Senator from Hawaii are unavoidably detained at this hour because of official business. At their request, I agreed to offer the amendments.

I discussed the two amendments with the majority leader and the Senator from Georgia, and they assured me that they would discuss the matter on the floor. On the basis of the character, integrity, and leadership of these two distinguished Senators, and on my own assurance as a member of the Committee on Appropriations that we will do everything we can to include these items in the first supplemental appropriation bill of the 88th Congress, I therefore withdraw the amendment.

The ACTING PRESIDENT pro tempore. The amendment is withdrawn.

Mr. COOPER. Mr. President, one of the items deleted from this appropriation bill by the House-Senate conference was an appropriation of \$100,000 for advance engineering and design of the Booneville Reservoir in the Kentucky River Basin. It was added in the Senate upon my motion and that of my colleague from Kentucky [Mr. Morton].

In 1954, former Senator Clements and I submitted a resolution asking for a survey of the Kentucky River Valley Basin and all its tributaries. I believe the records of the Corps of Engineers show that for more than 100 years the Kentucky River Valley extending from Virginia to the Ohio River has been swept and ravaged by floods. After the tragic flooding of the Kentucky in 1957, I introduced a resolution in the Public Works Committee, asking that the Corps of Engineers expedite its survey, and this was done.

In 1960, the Corps of Engineers, after years of intensive work presented its plan for the comprehensive flood protection of the Kentucky River Valley. The plan called for the construction of four reservoirs—Booneville, Carrs Fork, Eagle Creek, and Red River—and local protection at Frankfort, the capital of Kentucky, which is flooded almost every year. The annual flood damage in the valley has reached to almost \$10 million in several years. As Carrs Fork, Eagle Creek, and Red River reservoirs were not authorized until today—only Booneville—authorized in 1944—was eligible for appropriations.

The proposal which I offered with Senator Morton was a request for an initial appropriation for advance engineering and design, preparatory to actual construction.

This item is one of three which was stricken from the bill. I have spoken to the majority leader about this appropriation and I now address myself to my friend, the Senator from Georgia [Mr. Russell], the member of the Committee on Appropriations who is in charge of the bill. I express the hope that next year the Committee on Appropriations will provide funds for Booneville Reservoir in an early supplemental appropriation bill, or the regular works appropriation bill. I know that if that is done, the Senate conferees will make every effort to insist that it be maintained in conference with the House.

Mr. RUSSELL. Mr. President, I may say to the Senator from Kentucky that the assurance which I gave on behalf of the Senator from Florida [Mr. Holland] and at his express suggestion, included the project about which the Senator from Kentucky has just spoken. I thought I so stated at the time I made my statement with respect to the amendment proposed by the Senator from Massachusetts [Mr. Saltonstall]. The Senator from Florida said he would be happy to undertake to promote this planning project in the first supplemental appropriation bill to be brought before the Senate in 1963.

Mr. MANSFIELD. Mr. President, will the Senator from Kentucky yield?

Mr. COOPER. I yield.

Mr. MANSFIELD. I fully corroborate the statement just made by the Senator from Georgia. I make the same promise to the Senator from Kentucky.

Mr. COOPER. I accept without any reservation whatever the statements of the majority leader, and the assurance the Senator from Georgia has given for the Senator from Florida.

Mr. MORSE. Mr. President, I wish to make a brief statement with respect to two Oregon projects which were included in the supplemental appropriation bill, but were not included in the final public works bill report now offered by the Senator from Georgia [Mr. Russell].

The first is with respect to the Mason Dam project, at Baker, Oreg., calling for \$145,000 of planning money. The other is for a \$20,000 project at Pendleton, Oreg. Both are reclamation projects.

I attended the conference of Senate managers of this bill to which the Senator from Massachusetts [Mr. Saltonstall] just referred at that conference

we discussed all phases of the parliamentary problems which confronts us with respect to the conference report on public works items. At that conference, it was pointed out that these two Oregon reclamation projects could have been made subject to points of order by the House. Therefore, there could have been no assurance whatsoever that they could be obtained at this session no matter how long we stayed here. But we also recognized at that conference that, come January, the senior Senator from Oregon would be in a position to press for the consideration of these projects in connection with a supplemental appropriation bill. The senior Senator from Oregon was given the assurance of his colleagues that they would do what they could to assist in presenting the requests for those two projects to the Senate, so that the projects could be included in the supplemental appropriation bill to be considered by the Senate in January. Therefore, the RECORD should show that although I think it is unfortunate that these very much needed projects in eastern Oregon will have to wait for a few months, nevertheless the rules of the House after all, were applicable to them, and I reluctantly went along with that arrangement.

I express my sincere appreciation for the cooperation of Senators who are in charge of the bill and also for the cooperation I received from Members of the House, from whom I received a large number of messages in the past 2 days in reference to the Oregon items. They really are job-producing projects in my State in which a serious employment depression now exists. I feel that by including them in this final conference report a great many things were accomplished, not the least of which was the clear and salutary demonstration by both Houses of Congress that there would be a maintenance of the parity of the legislative process in the Congress.

Mr. RUSSELL. Mr. President, as the Senator from Oregon has just stated, the two projects he has described are in the same unfortunate position as the Navajo project, advocated by the Senator from New Mexico. But in this report there was no item to which these projects could have been appended; and it would have made the whole report subject to a point of order if the reclamation projects had been added to a river and harbor item.

In view of the multiplicity of difficulties the bill has encountered in the past few days, I think the Senate has done quite well to have salvaged this much of the items which were included in the supplemental bill.

Mr. President, I move that the Senate concur in the amendment of the House to the amendment of the Senate numbered 2.

The motion was agreed to.

Mr. RUSSELL. Mr. President, I move that the Senate reconsider the action it has taken on that amendment.

Mr. MORSE. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

EXHIBIT 1

Summary table

	Estimates, 1963	Amount allowed by the House	Amount allowed by the Senate	Conference allowance
TITLE I				
CIVIL FUNCTIONS, DEPARTMENT OF THE ARMY				
Quartermaster Corps, cemetery expenses.....	\$10,276,000	\$10,276,000	\$10,276,000	\$10,276,000
Corps of Engineers:				
General investigations.....	¹ 17,265,000	16,561,900	19,192,300	17,870,300
Construction.....	² 780,645,000	762,361,000	807,962,500	792,845,500
Operation and maintenance.....	143,539,000	143,539,000	143,539,000	143,539,000
General expenses.....	13,600,000	13,580,000	13,580,000	13,580,000
Mississippi River and tributaries.....	70,500,000	70,500,000	75,954,000	73,504,000
St. Lawrence Joint Board of Engineers.....	20,000	20,000	20,000	20,000
International Navigational Congresses.....				
Total, Corps of Engineers.....	1,025,569,000	1,006,561,900	1,060,247,800	1,041,358,800
Panama Canal:				
Canal Zone Government:				
Operating expenses.....	³ 22,772,000	22,772,000	22,772,000	22,772,000
Capital outlay.....	3,120,000	3,120,000	3,120,000	3,120,000
General and administrative expenses.....	(8,113,000)	(8,113,000)	(8,113,000)	(8,113,000)
Total, Canal Zone Government.....	25,892,000	25,892,000	25,892,000	25,892,000
Total, title I.....	1,061,737,000	1,042,729,900	1,096,415,800	1,077,526,800
TITLE II				
DEPARTMENT OF THE INTERIOR				
Bureau of Reclamation:				
General investigations.....	8,400,000	7,100,000	9,420,000	8,400,000
General investigations (special foreign currency program).....	2,500,000			
Construction and rehabilitation.....	⁴ 161,700,000	153,077,000	160,361,000	158,218,000
Operation and maintenance.....	38,250,000	38,150,000	36,444,600	36,444,600
Indefinite appropriation of receipts.....	(3,543,000)	(3,543,000)	(3,543,000)	(3,543,000)
Loan program.....	⁵ 12,517,000	10,173,000	12,517,000	12,517,000
Emergency fund.....	1,000,000	1,000,000	1,000,000	1,000,000
Upper Colorado River Basin fund.....	⁶ 110,326,000	106,508,000	109,576,000	107,808,000
General administrative expenses.....	9,300,000	9,300,000	9,300,000	9,300,000
Total, Bureau of Reclamation.....	343,993,000	325,308,000	338,618,600	333,687,600
Bonneville Power Administration:				
Construction.....	⁷ 31,900,000	29,800,000	29,800,000	29,800,000
Operation and maintenance.....	12,750,000	12,713,000	12,713,000	12,713,000
Total, Bonneville Power Administration.....	44,650,000	42,513,000	42,513,000	42,513,000
Office of the Secretary, Southeastern Power Administration, operation and maintenance.....	800,000	800,000	800,000	800,000
Southwestern Power Administration:				
Construction.....	7,210,000	7,210,000	7,210,000	7,210,000
Operation and maintenance.....	1,450,000	1,450,000	1,450,000	1,450,000
Continuing fund.....	(5,000,000)	(5,000,000)	(5,000,000)	(5,000,000)
Total, Southwestern Power Administration.....	8,660,000	8,660,000	8,660,000	8,660,000
Total, definite appropriations.....	398,103,000	377,281,000	390,591,600	385,660,600
Total, indefinite appropriations.....	8,543,000	8,543,000	8,543,000	8,543,000
Total, title II.....	406,646,000	385,824,000	399,134,600	394,203,600
TITLE III				
INDEPENDENT OFFICES				
Atomic Energy Commission:				
Operating expenses.....	⁸ 2,888,588,000	2,860,974,000	2,885,391,000	2,872,224,000
Indefinite appropriation of receipts.....	(26,700,000)	(26,700,000)	(26,700,000)	(26,700,000)
Plant acquisition and construction.....	⁹ 332,345,000	261,845,000	267,895,000	262,745,000
Total, Atomic Energy Commission.....	3,220,933,000	3,122,819,000	3,153,286,000	3,134,969,000
St. Lawrence Seaway Development Corporation limitation on administrative expenses.....	(425,000)	(425,000)	(414,000)	(414,000)
Tennessee Valley Authority.....	35,071,000	35,071,000	35,071,000	35,071,000
Delaware River Basin Commission, salaries and expenses.....	32,000	32,000	32,000	32,000
Contribution to the Delaware River Basin Commission.....	¹⁰ 80,000	80,000	80,000	80,000
Total, Delaware River Basin Commission.....	112,000	112,000	112,000	112,000
River Basin Study Commission for South Carolina, Georgia, Alabama, and Florida, salaries and expenses.....	552,000	552,000	552,000	552,000
River Basin Study Commission for Texas, salaries and expenses.....	(11)	(11)	(11)	(11)
Total, definite appropriations.....	3,256,668,000	3,158,554,000	3,189,021,000	3,170,704,000
Total, indefinite appropriations.....	26,700,000	26,700,000	26,700,000	26,700,000
Total, title III.....	3,283,368,000	3,185,254,000	3,215,721,000	3,197,404,000
TITLE IV				
FUNDS APPROPRIATED TO THE PRESIDENT				
Public works acceleration.....	¹² 900,000,000		500,000,000	400,000,000
Total, title IV.....	900,000,000		500,000,000	400,000,000
Grand totals:				
Total, definite appropriations.....	5,616,508,000	4,578,564,900	5,176,028,400	5,033,891,400
Total, indefinite appropriations.....	35,243,000	35,243,000	35,243,000	35,243,000
Grand total, all titles.....	5,651,751,000	4,613,807,900	5,211,271,400	5,069,134,400

EXHIBIT 1—Continued

Summary table—Continued

- ¹ Includes increase of \$665,000 in H. Doc. No. 379.
² Reflects decrease of \$930,000 in H. Doc. No. 379, and an increase of \$2,869,000 in H. Doc. No. 477, and an increase of \$3,000,000 in S. Doc. No. 135.
³ Includes increase of \$198,000 in H. Doc. No. 486.
⁴ Includes increase of \$750,000 in H. Doc. No. 422, and \$1,075,000 in H. Doc. No. 486.
⁵ Includes budget amendment increases as follows: H. Doc. No. 388, \$600,000; H. Doc. No. 422, \$4,023,000; H. Doc. No. 431, \$750,000; and \$2,344,000 in S. Doc. No. 134.
⁶ Reflects decrease of \$6,884,000 in H. Doc. No. 422, and an increase of \$550,000 in H. Doc. No. 477.
⁷ Reflects decrease of \$3,000,000 in H. Doc. No. 388.
⁸ Reflects increase of \$164,500,000 in H. Doc. No. 409 and an increase of \$23,300,000 in H. Doc. No. 467.
⁹ Reflects increase of \$46,300,000 in H. Doc. No. 409.
¹⁰ Submitted in H. Doc. No. 393.
¹¹ H. Doc. No. 393 and bill provide continuing availability of 1962 appropriation until Aug. 31, 1962.
¹² In S. Doc. No. 129.

General investigations, Corp of Engineers

Item (1)	Revised budget estimate for fiscal year 1963 (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
GENERAL INVESTIGATIONS				
1. Surveys:				
(a) Navigation studies.....	\$1,600,000	\$1,818,600	\$2,265,400	\$2,051,600
(b) Flood control studies.....	4,600,000	4,925,500	5,896,900	5,428,700
(c) Beach erosion cooperative studies.....	250,000	250,000	250,000	250,000
(d) Special studies:				
(1) San Francisco Bay survey.....	200,000	200,000	200,000	200,000
(2) Ohio River Basin review.....	600,000	500,000	600,000	500,000
(3) Potomac River review.....	75,000	75,000	75,000	75,000
(4) Colorado River, Tex.....	228,000	228,000	228,000	228,000
(5) Great Lakes water levels.....	85,000	85,000	110,000	110,000
(6) Rampart Canyon, Alaska.....	315,000	315,000	415,000	315,000
(7) Arkansas-Red River pollution study.....	177,000	177,000	227,000	227,000
(8) Lake Erie-Ohio River Canal.....	220,000	220,000	220,000	220,000
(9) Great Lakes-Hudson River Waterway.....	200,000	200,000	200,000	200,000
(10) Lake Erie-Ontario Waterway, N.Y.....	200,000	200,000	200,000	200,000
(11) Susquehanna River Basin.....	300,000	300,000	300,000	300,000
(12) Jersey Meadows, N.Y. and N.J.....	150,000	150,000	150,000	150,000
(13) Red River, La., Ark., Okla., and Tex.....	250,000	250,000	300,000	300,000
(14) Meramac River Basin, Mo.....	215,000	215,000	215,000	215,000
(15) Pascagoula River Basin, Miss.....	100,000	100,000	100,000	100,000
(16) Willamette River Basin, Oreg.....	100,000	100,000	200,000	100,000
(17) Grand River Basin, Mich.....	100,000	100,000	100,000	100,000
(18) Connecticut River Basin.....	100,000	100,000	100,000	100,000
(19) Upper Mississippi River Basin.....	200,000	200,000	200,000	200,000
(20) White River Basin, Ark. and Mo.....	100,000	100,000	100,000	100,000
(21) Brazos River Basin, Tex.....	100,000	140,000	140,000	140,000
(22) Great Lakes Harbors survey.....				
(23) Hudson River siltation study.....				
(24) Trinity River, Tex.....				
(25) Hurricane studies.....	945,000	945,000	945,000	945,000
(26) Coordination studies with other agencies.....	300,000	300,000	300,000	300,000
(27) Basin planning.....	400,000			
(28) Kanawha River Basin, W. Va.....			200,000	200,000
(29) Lake Champlain Waterway, N.Y. and Vt.....			50,000	
Subtotal, surveys.....	12,110,000	12,194,100	14,287,300	13,255,300
2. Collection and study of basic data:				
(a) Stream gaging (U.S. Geological Survey).....	250,000	250,000	250,000	250,000
(b) Precipitation studies (U.S. Weather Bureau).....	380,000	380,000	380,000	380,000
(c) Fish and wildlife studies (U.S. Fish and Wildlife Service).....	100,000	100,000	100,000	100,000
(d) International water studies.....	85,000	85,000	85,000	85,000
(e) Flood plain studies.....	700,000	700,000	700,000	700,000
Subtotal, collection and study of basic data.....	1,515,000	1,515,000	1,515,000	1,515,000
3. Research and development:				
(a) Beach erosion development studies.....	400,000	400,000	400,000	400,000
(b) Hydrologic studies.....	175,000	175,000	175,000	175,000
(c) Civil works investigations.....	1,550,000	1,300,000	1,300,000	1,300,000
(d) Mississippi Basin model:				
(1) Construction.....	650,000	650,000	650,000	650,000
(2) Mississippi River comprehensive study.....	200,000	200,000	200,000	200,000
(e) Nuclear explosives studies for civil construction.....	665,000	400,000	665,000	500,000
Subtotal, research and development.....	3,640,000	3,125,000	3,390,000	3,225,000
Other reductions and slippages ¹		-272,200		-125,000
Total, general investigations.....	17,265,000	16,561,900	19,192,300	17,870,300

¹ House cut in north-central division program.

Construction, general, fiscal year 1963

Construction, general, State and project		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Alabama:									
	Aquatic plant control. (See Louisiana.)								
(N)	Claiborne lock and dam		\$210,000		\$210,000		\$210,000		\$210,000
(N)	Columbia lock and dam, Alabama and Georgia	\$2,254,000		\$2,254,000		\$2,179,000		\$2,179,000	
(N)	Holt lock and dam	3,500,000		3,500,000		3,500,000		3,500,000	
(MP)	Jones Bluff lock and dam		150,000		150,000		150,000		150,000
(MP)	Millers Ferry lock and dam	1,000,000		1,000,000		1,000,000		1,000,000	
(N)	Mobile Harbor					600,000		600,000	
(FC)	Palmt Rock River	350,000		350,000		350,000		350,000	
(N)	Tennessee-Tombigbee Waterway, Alabama and Mississippi					500,000	225,000		
	Tombigbee River and tributaries, Alabama and Mississippi. (See Mississippi.)								
(MP)	Walter F. George (Fort Gaines) lock and dam, Alabama and Georgia	8,138,000		8,138,000		8,073,000		8,073,000	
Alaska:									
(MP)	Bradley Lake (not authorized)		†100,000				100,000		
(FC)	Fairbanks		60,000		60,000		60,000		60,000
(N)	Juneau Harbor	760,000		760,000		760,000		760,000	
Arizona:									
(FC)	Alamo Reservoir					500,000		500,000	
(FC)	Gila and Salt Rivers		90,000		90,000		90,000		90,000
(FC)	Gila River and tributaries—downstream from Painted Rock (not authorized).		†100,000				100,000		100,000
(FC)	Tucson	400,000		400,000		400,000		400,000	
Arkansas:									
(N)	Arkansas River and tributaries, Arkansas and Oklahoma:								
	(a) Bank stabilization and channel rectification	18,000,000		18,000,000		18,000,000		18,000,000	
	(b) Navigation locks and dams		2,000,000		2,000,000	600,000	2,000,000	300,000	2,000,000
(MP)	Beaver Reservoir	14,000,000		14,000,000		14,000,000		14,000,000	
(MP)	Bull Shoals Reservoir, Ark. and Mo., additions of units Nos. 7 and 8	2,000,000		2,000,000		2,000,000		2,000,000	
(MP)	Dardanelle lock and dam	16,000,000		16,000,000		16,000,000		16,000,000	
(FC)	De Queen Reservoir		50,000		50,000		50,000		50,000
(MP)	DeGray Reservoir	950,000		1,550,000		1,550,000		1,550,000	
(FC)	Dierks Reservoir						30,000		30,000
(FC)	Garland City, Red River	150,000		150,000		150,000		150,000	
(FC)	Gillham Reservoir		99,000		99,000	350,000	99,000	350,000	99,000
(MP)	Greers Ferry Reservoir	4,900,000		4,900,000		4,832,000		4,832,000	
(FC)	Millwood Reservoir	9,500,000		9,500,000		9,500,000		9,500,000	
(N)	Ouahita and Black Rivers, Ark. and La.		235,000		235,000		235,000		235,000
(N)	Ozark lock and dam		300,000		300,000	165,000		165,000	
(FC)	Red River levees and bank stabilization below Denison Dam, Ark., La., and Tex.	300,000		300,000		300,000		300,000	
California:									
(FC)	Alameda Creek (not authorized)		†100,000				100,000		100,000
(FC)	Bear Creek	400,000		400,000		400,000		400,000	
(FC)	Black Butte Reservoir	3,529,000		3,529,000		3,529,000		3,529,000	
(FC)	Comanche Reservoir	3,000,000		3,000,000		3,000,000		3,000,000	
(R)	Crseent City Harbor (breakwater)	200,000		200,000		200,000		200,000	
(FC)	Drycreek Reservoir channel improvement not authorized)		†100,000				100,000		
(FC)	Hidden Reservoir (not authorized)		†75,000				75,000		
(BE)	Imperial Beach, San Diego County (reimbursement)	20,000		20,000		20,000		20,000	
(FC)	Los Angeles County drainage area	15,000,000		15,000,000		15,000,000		15,000,000	
(N)	Los Angeles and Long Beach Harbors (1960 act)					1,705,000		1,705,000	
(FC)	Lower San Joaquin River and tributaries	1,700,000		1,700,000		1,700,000		1,700,000	
(N)	Monterey Harbor		90,000		90,000		90,000		90,000
(R)	Morro Bay (breakwater)	800,000		800,000		800,000		800,000	
(FC)	New Hogan Reservoir	4,140,000		4,140,000		4,140,000		4,140,000	
(N)	Noyo River and Harbor Moorlug Basin						20,000		20,000
(BE)	Oceanside (reimbursement)	672,000		672,000		672,000		672,000	
(FC)	Oroville Reservoir	15,000,000		14,000,000		15,000,000		14,000,000	
(FC)	Russian River Basin (Coyote Valley Dam)	1,000,000		1,000,000		1,000,000		1,000,000	
(FC)	Sacramento River bank protection		50,000		50,000	150,000	50,000	150,000	50,000
(FC)	Sacramento River and major and minor tributaries	400,000		400,000		400,000		400,000	
(FC)	Sacramento River, Chico Landing to Red Bluff	200,000		200,000		200,000		200,000	
(N)	Sacramento River deep water ship channel	5,910,000		5,910,000		5,910,000		5,910,000	
(FC)	Sacramento River flood control project	1,500,000		1,500,000		1,500,000		1,500,000	
(BE)	Santa Cruz County (reimbursement)	70,000		70,000		70,000		70,000	
(N)	Santa Cruz Harbor	1,520,000		1,520,000		1,520,000		1,520,000	
(FC)	Stewart Canyon debris basin	522,000		522,000		522,000		522,000	
(FC)	Tahchevah Creek		110,000		110,000		110,000		110,000
(FC)	Walnut Creek		225,000		225,000		225,000		225,000
(FC)	West Fork Reservoir		100,000		100,000		100,000		100,000
Colorado:									
(FC)	Trinidad Reservoir		155,000		155,000		155,000		155,000
Connecticut:									
(FC)	Ansonia-Derby (not authorized)		†100,000				100,000		
(FC)	Black Rock Reservoir						50,000		50,000
(N)	Bridgeport Harbor, Black Rock Harbor		26,000				26,000		26,000
(FC)	Colebrook River Reservoir		250,000		250,000		250,000		250,000
(FC)	East Branch Reservoir	700,000		700,000		700,000		700,000	
(FC)	Hancock Brook Reservoir	400,000		400,000		400,000		400,000	
(FC)	Hop Brook Reservoir		50,000		50,000		50,000		50,000
(FC)	Mad River Reservoir	1,826,000		1,826,000		1,826,000		1,826,000	
(FC)	Northfield Brook Reservoir		400,000			400,000		400,000	
(FC)	Stamford		250,000		250,000		250,000		250,000
(FC)	West Thompson Reservoir		142,000		342,000		342,000		342,000

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
(1)		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)		
Delaware:									
	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging Marcus Hook and Mantau Creek anchorages, Delaware and New Jersey. (See New Jersey.)								
	Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)								
(R)	Indian River Inlet (bulkheads)	\$750,000		\$750,000		\$750,000		\$750,000	
(N)	Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal), pt. II, Delaware and Maryland	5,000,000		5,000,000		5,000,000		5,000,000	
(BE)	Rehoboth Beach to Indian River Inlet (reimbursement)	110,000		110,000		110,000		110,000	
Florida:									
(N)	Apalachicola River	500,000		500,000		500,000		500,000	
(N)	Aquatic plant control. (See Louisiana.)								
(N)	Bakers Hanlover Inlet		\$15,000		\$15,000	25,000	\$15,000	25,000	\$15,000
(N)	Canaveral Harbor (not authorized)		180,000			80,000		80,000	
(FC)	Central and southern Florida	13,500,000		13,500,000		13,500,000		13,500,000	
(N)	Cross-Florida Barge Canal		205,000			205,000		205,000	
(FC)	Four Rivers Basin (not authorized)					150,000			
(N)	Intracoastal Waterway:								
	(a) Caloosahatchee River to Anclote River	900,000		900,000		900,000		900,000	
	(b) Jacksonville to Miami	800,000		800,000		800,000		800,000	
(N)	Miami Harbor (1960 act)	400,000		400,000		400,000		400,000	
(BE)	Palm Beach County, Lake Worth Inlet to South Lake Worth Inlet (reimbursement)	15,000		15,000		15,000		15,000	
(N)	Port Everglades Harbor (1958 act)	677,000		677,000		677,000		677,000	
(N)	St. Marks River	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	St. Petersburg Harbor (deferred)		10,000		10,000		10,000		10,000
Georgia:									
(MP)	Aquatic plant control. (See Louisiana.)								
(MP)	Carters Dam	2,500,000		2,500,000		2,500,000		2,500,000	
	Columbia lock and dam, Alabama and Georgia. (See Alabama.)								
(MP)	Hartwell Reservoir, Ga. and S.C.	3,700,000		3,700,000		3,649,500		3,649,500	
	Walter F. George lock and dam, Alabama and Georgia. (See Alabama.)								
(MP)	West Point Dam (not authorized)		100,000				100,000		100,000
Hawaii:									
(N)	Hilo Harbor		600,000		600,000		600,000		600,000
(N)	Kaunakakai Harbor (not authorized)					115,000			
(FC)	Wailoa Stream	200,000		200,000		200,000		200,000	
Idaho:									
(MP)	Bruces Eddy Reservoir (construction not yet authorized)					2,000,000		2,000,000	
(FC)	Columbia River local protection:								
	Boise Valley		21,000		21,000		21,000		21,000
(FC)	Ririe Dam (not authorized)		75,000				75,000		75,000
Illinois:									
(FC)	Beardstown	900,000		900,000		900,000		900,000	
(N)	Calumet Harbor and River, Ind. and Ill. (not authorized)		110,000				110,000		110,000
(R)	Calumet Harbor and River (breakwater), Ill. and Ind.	600,000		600,000		600,000		600,000	
(N)	Calumet Harbor and River, Ill. and Ind.:								
	(a) 25-foot depth in river channels, Cargill docks to Torrence Ave.								
	(b) 29-foot approach channel, 28-foot outer harbor, and 27-foot entrance	1,000,000		1,000,000		1,000,000		1,000,000	
(BA)	Calumet River bridge alterations	500,000		500,000		500,000		500,000	
(FC)	Carlyle Reservoir	6,400,000		6,400,000		6,400,000		6,400,000	
(R)	Chicago Harbor (breakwater)		30,000		30,000		30,000		30,000
(FC)	Clear Creek Drainage and Levee District	70,000		70,000		70,000		70,000	
(FC)	Clear Lake Special Drainage District (not authorized)						40,000		40,000
(N)	Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri	858,000		858,000		858,000		858,000	
(FC)	Drury Drainage District	435,000		435,000		435,000		435,000	
(FC)	East St. Louis and vicinity	1,200,000		1,200,000		1,200,000		1,200,000	
(FC)	Freeport				50,000		50,000		50,000
(FC)	Henderson County Drainage District No. 1		32,000		32,000		32,000		32,000
(FC)	Henderson County Drainage District No. 2		38,000		38,000		38,000		38,000
(FC)	Hunt Drainage District and Lima Lake Drainage District	150,000		150,000		150,000		150,000	
(N)	Illinois Waterway, Calumet-Sag Channel, pt. I, Illinois and Indiana	9,500,000		9,500,000		9,500,000		9,500,000	
(FC)	Indian Grave Drainage District		50,000		50,000		50,000		50,000
(N)	Kaskaskia River (not authorized)		100,000				100,000		100,000
(N)	Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo.:								
	(a) Regulating works	2,300,000		2,300,000		2,300,000		2,300,000	
	(b) Chain of Rocks	50,000		50,000		50,000		50,000	
(FC)	Mount Carmel (not authorized)		75,000				75,000		75,000
(FC)	New Athens		73,000		73,000		73,000		73,000
(FC)	Oakley Reservoir (not authorized)		125,000				125,000		125,000
(FC)	Roehester and McClearys Bluff levee		45,000		45,000		45,000		45,000
(FC)	Shelbyville Reservoir	326,000		326,000		326,000		326,000	
(FC)	Sny Island Levee Drainage District		100,000		100,000		100,000		100,000
(FC)	South Quincy Drainage and Levee District		27,000		27,000		27,000		27,000
(FC)	Subdistrict No. 1 of Drainage Union No. 1 and Bay Island Levee and Drainage District	600,000		600,000		600,000		600,000	
(FC)	The Sny Basin	3,800,000		3,800,000		3,800,000		3,800,000	
(FC)	Tri Pond levee		48,000		48,000		48,000		48,000

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
(1)		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Indiana:									
(FC)	Brookville Reservoir				\$75,000		\$75,000		\$75,000
	Calumet River and Harbor, Ill. and Ind. (See Illinois.)								
(N)	Cannelton locks and dam, Indiana and Kentucky	\$2,750,000		\$2,750,000		\$2,750,000		\$2,750,000	
(FC)	Evansville	700,000		700,000		700,000		700,000	
(FC)	Greenfield Bayou levee (deferred)		\$10,000		10,000		10,000		10,000
(FC)	Huntington Reservoir					1,000,000		1,000,000	
	Illinois Waterway, Ill. and Ind. (See Illinois.)								
(N)	Indiana Harbor, 1960 act	510,000		510,000		510,000		510,000	
(FC)	Levee unit 5, Wabash River	250,000		250,000		350,000		350,000	
	Markland locks and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)								
(FC)	Mason J. Niblack levee	700,000		700,000		700,000		700,000	
	McAlpine locks and dam, Indiana and Kentucky. (See Kentucky.)								
(FC)	Mississinewa Reservoir	1,690,000		1,690,000		2,000,000		1,690,000	
(FC)	Monroe Reservoir	800,000		800,000		800,000		800,000	
(N)	Newburg lock and dam, Indiana and Kentucky				150,000		150,000		150,000
(FC)	Salamonie Reservoir	1,800,000		1,800,000		1,800,000		1,800,000	
(N)	Uniontown locks and dam, Indiana and Kentucky		200,000		200,000		200,000		200,000
(FC)	West Terre Haute	332,000		332,000		332,000		332,000	
Iowa:									
(FC)	Chariton River, Iowa and Mo.				50,000		50,000		50,000
(FC)	Coralville Reservoir, Mehahey Bridge		40,000		40,000		40,000		40,000
(FC)	Des Moines		40,000		40,000		40,000		40,000
(FC)	Floyd River and tributaries	3,000,000		3,000,000		3,000,000		3,000,000	
(FC)	Green Bay Levee and Drainage District No. 2	100,000		100,000		100,000		100,000	
(FC)	Indian Creek (not authorized)		\$50,000				50,000		50,000
(FC)	Iowa River—Flint Creek Levee District No. 16	700,000		700,000		700,000		700,000	
(FC)	Little Sioux River	500,000		500,000		500,000		500,000	
(FC)	Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska (active units)	2,300,000		2,350,000		3,000,000		3,000,000	
(N)	Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska:								
	(a) Sioux City, Iowa, to Omaha, Nebr.	6,000,000		6,000,000		6,000,000		6,000,000	
	(b) Omaha, Nebr., to Kansas City	2,400,000		2,400,000		2,400,000		2,400,000	
	(c) Kansas City to the mouth	3,000,000		3,000,000		3,000,000		3,000,000	
(FC)	Muscatine Island Levee District and Muscatine-Louis County Drainage District No. 13	150,000		150,000		150,000		150,000	
(FC)	Rathbun Reservoir		159,000		159,000		159,000		159,000
(FC)	Red Rock Reservoir	9,800,000		9,800,000		9,800,000		9,800,000	
Kansas:									
(FC)	Cedar Point Reservoir (deferred)		25,000		25,000		25,000		25,000
(FC)	Council Grove Reservoir	3,000,000		3,000,000		3,000,000		3,000,000	
(FC)	Dodge City (not authorized)		\$50,000				50,000		50,000
(FC)	Elk City Reservoir	2,700,000		2,700,000		2,700,000		2,700,000	
(N)	Fort Leavenworth Bridge	430,000		430,000		430,000		430,000	
(FC)	Fort Scott Reservoir (deferred)		30,000		30,000		30,000		30,000
(FC)	Frankfort	825,000		825,000		825,000		825,000	
(FC)	John Redmond (Strawn) Reservoir	9,000,000		9,000,000		9,000,000		9,000,000	
(FC)	Kansas City, Kans. and Mo.	1,200,000		1,200,000		1,200,000		1,200,000	
(FC)	Lawrence		78,000		78,000		78,000		78,000
(FC)	Manhattan	1,050,000		1,050,000		1,050,000		1,050,000	
(FC)	Marion Reservoir		71,000		71,000		71,000		71,000
(FC)	Melvern Reservoir		200,000		200,000		200,000		200,000
(FC)	Milford Reservoir	11,600,000		11,600,000		11,600,000		11,600,000	
	Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
	Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)								
(FC)	Osawatimie		40,000		40,000		40,000		40,000
(FC)	Perry Reservoir					750,000		750,000	
(FC)	Pomona Reservoir	2,200,000		2,200,000		2,200,000		2,200,000	
(FC)	Topeka	2,200,000		2,200,000		2,200,000		2,200,000	
(FC)	Tuttle Creek Reservoir	2,632,000		2,632,000		2,632,000		2,632,000	
(FC)	Wilson Reservoir	4,400,000		4,400,000		4,400,000		4,400,000	
Kentucky:									
(MP)	Barkley Dam, Ky. and Tenn.	31,200,000		31,200,000		31,147,000		31,147,000	
(FC)	Barren River Reservoir	10,110,000		10,110,000		10,110,000		10,110,000	
(MP)	Booneville Reservoir						100,000		
	Cannelton locks and dam, Indiana and Kentucky. (See Indiana.)								
(N)	Capt. Anthony Meldahl locks and dam, Kentucky and Ohio	10,200,000		10,200,000		10,172,000		10,172,000	
(FC)	Cave Run Reservoir		75,000		75,000		75,000		75,000
(FC)	Corbin	200,000		200,000		400,000		400,000	
(FC)	Fishtrap Reservoir	6,700,000		6,700,000		6,700,000		6,700,000	
(FC)	Frankfort (deferred)				25,000		25,000		25,000
(FC)	Grayson Reservoir		371,000		371,000		371,000		371,000
(FC)	Green River Reservoir			1,000,000		1,000,000		1,000,000	
(MP)	Laurel River Reservoir		653,000		653,000		653,000		653,000
(N)	Markland locks and dam, Indiana, Kentucky, and Ohio	7,977,000		7,977,000		7,785,000		7,785,000	
(N)	McAlpine locks and dam (Louisville), Indiana and Kentucky	3,500,000		3,500,000		3,500,000		3,500,000	
	Newburgh lock and dam, Indiana and Kentucky. (See Indiana.)								
(FC)	Nolin Reservoir	2,536,000		2,536,000		2,447,500		2,447,500	
	Uniontown lock and dam, Indiana and Kentucky. (See Indiana.)								

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Louisiana:									
(N)	Aquatic plant control, Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, and Texas	\$940,000		\$940,000		\$940,000		\$940,000	
(N)	Bayou LaFourche and LaFourche Jump Waterway	500,000		500,000		500,000		500,000	
(N)	Bayou Le Carpe (not authorized)					¹ (45,000)		¹ (45,000)	
(N)	Calcasieu River and Pass (1960 act)	2,500,000		2,500,000		2,500,000		2,500,000	
(N)	Calcasieu River salt water barrier (not authorized)						\$56,000		\$56,000
(FC)	Campiti Clarence levee (not authorized)						50,000		50,000
(N)	Freshwater Bayou	600,000		600,000		600,000		600,000	
(N)	Mississippi River, Baton Rouge to the Gulf of Mexico	2,569,000		2,569,000		2,569,000		2,569,000	
(N)	Mississippi River gulf outlet	8,000,000		8,000,000		8,000,000		8,000,000	
(FC)	New Orleans to Venice, La., Hurricane Protection (not authorized)		\$265,000				265,000		265,000
	Ouachita and Black Rivers, Ark. and La. (See Arkansas.)								
	Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)								
Maine:									
(N)	Bass Harbor					² (183,000)		² (183,000)	
(N)	Kennebunk River (not authorized)						17,000		17,000
(N)	Portland Harbor, deepen to 45 ft. (not authorized)					550,000		550,000	
	Portsmouth Harbor and Piscataqua River, N.H., and Maine (not authorized). (See New Hampshire.)								
(N)	Searsport Harbor (not authorized)						10,000		10,000
Maryland:									
(N)	Baltimore Harbor and channels (1958 act)	4,100,000		4,100,000		4,100,000		4,100,000	
(FC)	Bloomington Reservoir (not authorized)		100,000				100,000		
	Inland waterway, Delaware River to Chesapeake Bay (Chesapeake and Delaware Canal) Part II, Delaware and Maryland. (See Delaware.)								
(N)	Pocomoke River	300,000		300,000		300,000		300,000	
Massachusetts:									
(R)	Cape Cod Canal-Bourne Bridge		38,000		\$38,000		38,000		38,000
(N)	Chelsea River (not authorized)						15,000		
(FC)	Chicopee Falls	350,000		350,000		350,000		350,000	
(FC)	Conant Brook Reservoir		160,000		160,000		160,000		160,000
(FC)	Littleville Reservoir	1,900,000		2,200,000		1,200,000		2,200,000	
(FC)	New Bedford-Fairhaven and Acushnet barriers	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	Provincetown Harbor		15,000		15,000		15,000		15,000
(FC)	Three Rivers		50,000		350,000		350,000		350,000
(FC)	Wareham-Marion (not authorized)		173,000				73,000		73,000
(BE)	Wessagusset Beach (reimbursement)	23,000		23,000		23,000		23,000	
(FC)	Westfield		120,000		120,000		120,000		120,000
Michigan:									
(N)	Detroit River Channel north of Belle Isle					¹ (380,000)		¹ (380,000)	
(N)	Detroit River, enlarge Trenton Channel	4,000,000		4,000,000		4,000,000		4,000,000	
(N)	Gladstone Harbor Little Bay DeNoc (not authorized)					¹ (350,000)		¹ (350,000)	
(R)	Grand Haven Harbor (piers and revetment)	830,000		830,000		830,000		830,000	
(N)	Great Lakes connecting channels	3,200,000		3,200,000		3,200,000		3,200,000	
(N)	Hammond Bay Harbor	1,000,000		1,000,000		1,000,000		1,000,000	
(R)	Holland Harbor (piers, revetment, and breakwater)	300,000		300,000		300,000		300,000	
(N)	Little Lake Harbor	610,000		610,000		610,000		610,000	
(R)	Ludington Harbor (piers, revetments, and breakwater)		40,000		400,000		40,000		40,000
(N)	Manistee Harbor	900,000		900,000		900,000		900,000	
(R)	Manistee Harbor (piers, revetment, and breakwater)		45,000		45,000		45,000		45,000
(R)	Manistique Harbor (breakwaters)	300,000		300,000		300,000		300,000	
(R)	Marquette Harbor (minor rehabilitation)	(300,000)		(300,000)		(300,000)		(300,000)	
(R)	Menominee Harbor (piers), Michigan and Wisconsin	500,000		500,000		500,000		500,000	
(N)	Muskegon Harbor (not authorized)						18,000		
(R)	Presque Isle Harbor (minor rehabilitation)	(140,000)		(140,000)		(140,000)		(140,000)	
(FC)	River Rouge (not authorized)		150,000				50,000		50,000
(N)	Saginaw River	1,666,000		1,666,000		1,666,000		1,666,000	
(FC)	Saginaw River	300,000		300,000		300,000		300,000	
(R)	St. Joseph Harbor (piers and revetments)	81,000		81,000		81,000		81,000	
(N)	St. Marys River, New Poe lock	750,000		750,000		750,000		750,000	
(R)	South Haven Harbor (piers and revetments)	570,000		570,000		570,000		570,000	
Minnesota:									
(N)	Duluth-Superior Harbor:								
	(a) Inner harbor 27-foot and 23-foot channels	300,000		300,000		300,000		300,000	
	(b) Outer harbor 32-foot to 27-foot channel	2,580,000		2,580,000		2,580,000		2,580,000	
(FC)	Marshall, Redwood River	750,000		750,000		750,000		750,000	
(R)	Reservoirs at headwaters of Mississippi River (Winnibigoshish Dam)		30,000		30,000		30,000		30,000
(N)	St. Anthony Falls extension	4,430,000		4,000,000		4,430,000		4,430,000	
(FC)	St. Paul and South St. Paul	1,700,000		1,700,000		1,700,000		1,700,000	
Mississippi:									
	Aquatic plant control. (See Louisiana.)								
(FC)	Jackson and East Jackson		123,000		500,000		500,000		500,000
(FC)	Okatibbee Creek Reservoir (not authorized)						150,000		150,000
(N)	Pascagoula Harbor (not authorized)					1,500,000		1,500,000	
	Tennessee-Tombigbee Waterway, Ala. and Miss. (See Alabama.)								
(FC)	Tombigbee River and tributaries		106,000		106,000		106,000		106,000

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
		Construction (2)	Planning (3)	Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Missouri:									
Bull Shoals Reservoir, units 7 and 8, Arkansas and Missouri. (See Arkansas.)									
(FC)	Canton	\$200,000		\$200,000		\$200,000		\$200,000	
(FC)	Cape Girardeau and vicinity	200,000		200,000		200,000		200,000	
Chariton River, Iowa and Mo. (See Iowa.)									
Dam 27, Mississippi River between St. Louis and lock and dam 26, Illinois and Missouri. (See Illinois.)									
(FC)	Gregory Drainage District (not authorized)						\$50,000		\$50,000
(FC)	Hannibal (not authorized)		\$50,000				50,000		50,000
(MP)	Joanna Reservoir (not authorized)				\$100,000		100,000		100,000
(MP)	Kansas Citys, Kans. and Mo. (See Kansas.)								
(MP)	Kaysinger Bluff Reservoir (with power)		267,000		267,000		267,000		267,000
(FC)	Kaysinger Bluff Reservoir, highway construction	1,000,000		1,000,000		1,000,000		1,000,000	
Mississippi River between the Ohio and Missouri Rivers, Ill. and Mo., regulating works. (See Illinois.)									
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
Missouri River Channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
(FC)	Perry County Drainage and Levee Districts 1, 2, and 3	180,000		180,000		180,000		180,000	
(FC)	St. Louis	8,800,000		8,800,000		8,800,000		8,800,000	
(FC)	South River Drainage District			100,000		100,000		100,000	
(MP)	Stockton Reservoir	900,000		900,000		900,000		900,000	
(FC)	Union Township Drainage District (not authorized)						40,000		40,000
Montana:									
(MP)	Libby Reservoir		2,600,000		2,600,000		2,600,000		2,600,000
Nebraska:									
(FC)	Little Papillion Creek (not authorized)		\$50,000				50,000		50,000
Missouri River agricultural levees, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
Missouri River channel stabilization, Iowa, Kansas, Missouri, and Nebraska. (See Iowa.)									
(FC)	Norfolk						80,000		80,000
(FC)	Salt Creek and tributaries	2,300,000		2,300,000		2,300,000		2,300,000	
(FC)	Waterloo					1 (100,000)		1 (100,000)	
Nevada:									
(FC)	Humboldt River (deferred)		15,000		15,000		15,000		15,000
(FC)	Las Vegas Wash		100,000		100,000		100,000		100,000
New Hampshire:									
(FC)	Claremont Reservoir (deferred)		30,000		30,000		30,000		30,000
(FC)	Hopkinton-Everett Reservoir	2,587,000		2,587,000		2,567,000		2,567,000	
(N)	Portsmouth Harbor and Piscataqua River, N.H., and Maine (not authorized)						100,000		100,000
New Jersey:									
(BE)	Atlantic City (reimbursement)	129,000		129,000		129,000		129,000	
(BE)	Barneget Light (reimbursement)	62,000		62,000		62,000		62,000	
(R)	Cold Spring Inlet (breakwater)		15,000		15,000		15,000		15,000
(N)	Delaware River, Philadelphia Naval Base to Trenton, Pennsylvania and New Jersey	4,500,000		4,500,000		4,500,000		4,500,000	
(N)	Delaware River, Philadelphia to sea, anchorages at Reedy Point, Deepwater Point, and enlarging Marcus Hook and Mantua Creek anchorages			300,000		300,000		300,000	
(R)	Delaware River, Philadelphia to sea (main dikes) New Jersey, Pennsylvania, and Delaware	750,000		750,000		750,000		750,000	
(BE)	Long Beach Island (reimbursement)	42,000		42,000		42,000		42,000	
(R)	Manasquan Inlet (bulkheads)		10,000		10,000		10,000		10,000
(R)	New Jersey Intracoastal Waterway (jetties)		12,000		12,000		12,000		12,000
(BE)	Ocean City (reimbursement)	158,000		158,000		158,000		158,000	
(BE)	Raritan Bay-Sandy Hook Bay (not authorized)					500,000		500,000	
(MP)	Tocks Island Reservoir, Pa. and N.J. (not authorized)		\$200,000				200,000		
New Mexico:									
(FC)	Alamogordo diversion channel (not authorized)						50,000		50,000
(FC)	Cochiti Reservoir		350,000		350,000		350,000		350,000
(FC)	Galisteo Reservoir		200,000		200,000		200,000		200,000
(FC)	Las Cruces (not authorized)		\$50,000				50,000		
(FC)	Socorro	1,500,000		1,500,000		1,500,000		1,500,000	
(FC)	Two Rivers Reservoir	1,911,000		1,911,000		1,911,000		1,911,000	
New York:									
(FC)	Allegany (deferred)		7,000		7,000		7,000		7,000
Allegheny River Reservoir, N.Y. and Pa. (See Pennsylvania.)									
(N)	Buffalo Harbor:								
	(a) Deepen north entrance, Buffalo River entrance, Buffalo River, Buffalo Ship canal	450,000		450,000		450,000		450,000	
	(b) South entrance, 28-, 29-, and 30-foot channel (1960 act)	1,000,000		1,000,000		1,000,000		1,000,000	
(FC)	Fire Island to Montauk Point		250,000		250,000		250,000		250,000
(N)	Flushing Bay and Creek (not authorized)			1,500,000		1,500,000		1,500,000	
(N)	Great Lakes to Hudson River Waterway	400,000		400,000		400,000		400,000	
(R)	Great Sodus Bay (piers)	473,000		473,000		473,000		473,000	
(FC)	Herkimer	880,000		880,000		880,000		880,000	
(N)	Hudson River, New York City to Albany	5,300,000		5,300,000		5,300,000		5,300,000	
(FC)	Ithaca (Cayuga Inlet)		112,000		112,000		112,000		112,000
(FC)	Lackawanna		78,000		78,000		78,000		78,000
(FC)	Lake Chatauqua and Chadakoin River		35,000		35,000		35,000		35,000
(N)	New York Harbor, 35-foot channel from ocean to bayside	1,537,000		1,537,000		1,537,000		1,537,000	

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project		Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
		Construction	Planning	Construction	Planning	Construction	Planning	Construction	Planning
(1)		(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
New York—Continued									
(N)	Rochester Harbor	\$900,000		\$900,000		\$900,000		\$900,000	
(BE)	Selkirk Shores State Park (reimbursement)	40,000		40,000		40,000		40,000	
(FC)	South Amsterdam	300,000		300,000		300,000		300,000	
	Toeks Island Reservoir, Pa. and N.J. (not authorized) (see New Jersey).								
North Carolina:									
	Aquatic plant control. (See Louisiana.)								
(FC)	New Hope Reservoir (not authorized)		†\$100,000				\$100,000		\$100,000
(FC)	Wilkesboro Reservoir	800,000		800,000		779,000		779,000	
(N)	Wilmington Harbor, 38- and 40-foot depth (not authorized)						135,000		
North Dakota:									
(FC)	Bowman-Haley Reservoir (not authorized)						180,000		180,000
(MP)	Garrison Reservoir	600,000		600,000		600,000		600,000	
	Oahe Reservoir, N. Dak. and S. Dak. (See South Dakota.)								
Ohio:									
(N)	Ashtabula Harbor (1960 act)	1,200,000		1,200,000		1,200,000		1,200,000	
(N)	Belleville locks and dam, Ohio and West Virginia	3,200,000		3,200,000		3,200,000		3,200,000	
(FC)	Big Darby Creek Reservoir				\$250,000		250,000		250,000
(FC)	Buck Creek Reservoir (not authorized)						75,000		75,000
	Captain Anthony Meldahl locks and dam, Kentucky and Ohio. (See Kentucky.)								
(N)	Cleveland Harbor:								
	(a) Bridge replacements widening, Cuyahoga and Old River and deepening channel in east basin and outer harbor (1958 act)	300,000		300,000		300,000		300,000	
	(b) 28-foot approach channel, 27-foot entrance channel, 27-foot river channel, 28 feet in west basin (1960 act)	1,000,000		1,000,000		1,000,000		1,000,000	
(R)	Cleveland Harbor (breakwater)	253,000		253,000		253,000		253,000	
(R)	Conneaut Harbor (breakwater)	265,000		265,000		265,000		265,000	
(FC)	Deer Creek Reservoir				250,000		250,000		250,000
(N)	Fairport Harbor	400,000		400,000		400,000		400,000	
(N)	Hannibal locks and dam, Ohio and West Virginia		100,000		100,000		100,000		100,000
(N)	Lorain Harbor (1960 act)	3,000,000		3,000,000		3,000,000		3,000,000	
	Markland lock and dam, Indiana, Kentucky, and Ohio. (See Kentucky.)								
(FC)	Paint Creek Reservoir				250,000		250,000		250,000
(N)	Pike Island locks and dam, Ohio and West Virginia	12,400,000		12,400,000		12,348,250		12,348,250	
(N)	Racine locks and dam, Ohio and West Virginia		395,000		395,000		395,000		395,000
(N)	Sandusky Harbor (1960 act)	1,800,000		1,800,000		1,800,000		1,800,000	
(R)	Sandusky Harbor (east jetty)	200,000		200,000		200,000		200,000	
	Shenango River Reservoir, Ohio and Pa. (See Pennsylvania.)								
(N)	Toledo Harbor (1950, 1958, and 1960 acts)	4,700,000		4,700,000		4,700,000		4,700,000	
(FC)	West Branch Reservoir, Mahoning River	2,400,000		2,400,000		2,400,000		2,400,000	
Oklahoma:									
	Arkansas-Red Rivers salinity control (initial phase), Oklahoma and Texas (not authorized). (See Texas.)								
	Arkansas River and tributaries bank stabilization and channel rectification, Arkansas and Oklahoma. (See Arkansas.)								
	Arkansas River and tributaries navigation locks and dam, Arkansas and Oklahoma. (See Arkansas.)								
(FC)	Birch Reservoir (not authorized)						20,000		20,000
(FC)	Broken Bow Reservoir	3,400,000		3,400,000		3,400,000		3,400,000	
(MP)	Eufaula Reservoir	31,300,000		31,300,000		31,265,000		31,265,000	
(FC)	Kaw Reservoir (not authorized)		†75,000				75,000		75,000
(FC)	Keystone Reservoir	21,000,000		21,000,000		20,990,000		20,990,000	
(FC)	Optima Reservoir (deferred)						50,000		50,000
(FC)	Pine Creek Reservoir	600,000		600,000		600,000		600,000	
(MP)	Short Mountain lock and dam		531,000		531,000		531,000		531,000
(FC)	Skiatook Reservoir (not authorized)		†40,000				40,000		
(N)	Webbers Falls lock and dam		325,000		325,000		325,000		325,000
Oregon:									
(FC)	Blue River Reservoir					500,000		500,000	
(N)	Columbia and Lower Willamette River below Vancouver, Wash. and Portland, Oreg. (not authorized):								
	(a) 40-foot channel		†100,000				†100,000		100,000
	(b) 35 feet from mouth of Willamette River to Vancouver								
(N)	Columbia River at the mouth, Oregon and Washington		130,000		130,000		130,000		130,000
(R)	Columbia River at the mouth (jetties) Oregon and Washington	2,000,000		2,000,000		2,000,000		2,000,000	
(FC)	Columbia River local protection:								
	John Day River		20,000		20,000		20,000		20,000
(N)	Coos and Millicoma Rivers				23,000		23,000		23,000
(R)	Coos Bay (south jetty)	1,600,000		1,600,000		1,600,000		1,600,000	
(MP)	Cougar Reservoir	9,100,000		9,100,000		9,079,000		9,079,000	
(FC)	Fall Creek Reservoir	1,900,000		1,900,000		1,900,000		1,900,000	
(MP)	Green Peter Reservoir	6,100,000		6,100,000		6,100,000		6,100,000	
(MP)	John Day lock and dam, Oregon and Washington	43,000,000		43,000,000		43,000,000		43,000,000	
(FC)	Lower Columbia River bank protection, Oregon and Washington	400,000		400,000		400,000		400,000	
(FC)	Lower Columbia River improvement to existing works:								
	(a) Beaver Drainage District	516,000		516,000		516,000		516,000	
(R)	Shuslaw River (south jetty)	720,000		720,000		720,000		720,000	
(R)	Tillamook Bay and Harbor (north jetty)	500,000		500,000		500,000		500,000	
(R)	Umpqua River (south jetty)	2,160,000		2,160,000		2,160,000		2,160,000	
(FC)	Willamette River Basin bank protection	600,000		600,000		600,000		600,000	
(N)	Yaquina Bay and Harbor		100,000		100,000		100,000		100,000
(R)	Yaquina Bay and Harbor (jetties)		30,000		30,000		30,000		30,000

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
	Construction (2)	Planning (3)	Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Pennsylvania:								
(FC) Allegheny River Reservoir, Pa., and N.Y.	\$24,800,000		\$24,800,000		\$24,800,000		\$24,800,000	
(FC) Beltzville Reservoir (not authorized)		†\$100,000				\$100,000		\$100,000
(FC) Bethlehem	1,300,000		1,300,000		1,300,000		1,300,000	
(FC) Blanchard Reservoir		350,000		\$350,000		350,000		350,000
(FC) Butler	700,000		700,000		700,000		700,000	
(FC) Curwensville Reservoir	5,000,000		5,000,000		5,000,000		5,000,000	
(N) Dam 4, Monongahela River	500,000		500,000		500,000		500,000	
Delaware River, Philadelphia to sea (main dikes), Delaware, Pennsylvania, and New Jersey. (See New Jersey.)								
Delaware River, Philadelphia Naval Base to Trenton. (See New Jersey.)								
(N) Erie Harbor (1960 act)	1,220,000		1,220,000		1,220,000		1,220,000	
(FC) Latrobe		75,000		75,000		75,000		75,000
(N) Maxwell locks and dam, Monongahela River	7,800,000		7,800,000		7,748,250		7,748,250	
(BE) Presque Isle Peninsula (reimbursement)		186,000		186,000		186,000		186,000
(FC) Ridgway	241,000		241,000		241,000		241,000	
(FC) Shenango River Reservoir, Ohio and Pa.	7,600,000		7,600,000		7,600,000		7,600,000	
(FC) Tioga-Hammond Reservoir		100,000				100,000		
(FC) Toxas Island Reservoir, Pa. and N.J. (not authorized). (See New Jersey.)								
(FC) Turtle Creek	1,300,000		1,300,000		1,300,000		1,300,000	
(FC) Union City Reservoir (not authorized)		†50,000				50,000		50,000
Puerto Rico:								
(N) San Juan Harbor	4,500,000		2,400,000		4,500,000		4,500,000	
Rhode Island:								
(FC) Fox Point barrier	4,000,000		4,000,000		4,000,000		4,000,000	
(FC) Lower Woonsocket	300,000		300,000		300,000		300,000	
(R) Point Judith Harbor (breakwater)	810,000		810,000		810,000		810,000	
South Carolina:								
Aquatic plant control. (See Louisiana.)								
(N) Charleston Harbor (1945 act)	824,000		824,000		824,000		824,000	
Hartwell Reservoir, Ga. and S.C. (See Georgia.)								
South Dakota:								
(MP) Big Bend Reservoir	26,000,000		26,000,000		26,000,000		26,000,000	
(FC) Cottonwood Springs Reservoirs (deferred)		15,000		15,000		15,000		15,000
(MP) Fort Randall Reservoir	2,300,000		2,300,000		2,300,000		2,300,000	
(MP) Oahe Reservoir, S. Dak. and N. Dak.	20,000,000		20,000,000		20,000,000		20,000,000	
Tennessee:								
Barkley Dam, Ky. and Tenn. (See Kentucky.)								
(MP) Cordell Hull Dam		309,000	1,000,000		1,000,000		1,000,000	
(MP) J. Percy Priest Reservoir		404,000	1,000,000		1,000,000		1,000,000	
Texas:								
Aquatic plant control. (See Louisiana.)								
(FC) Arkansas-Red Rivers salinity control (initial phase), Oklahoma and Texas not authorized)					300,000		300,000	
(N) Barbour Cut, La Porte			(58,500)		(58,500)		(58,500)	
(FC) Bardwell Reservoir	500,000		500,000		500,000		500,000	
(FC) Big Fossil Creek		45,000		45,000		45,000		45,000
(FC) Bleders Creek Reservoir, New Braunfels		50,000		50,000		50,000		50,000
(N) Brazos Island Harbor (1960 act)					500,000			
(FC) Buffalo Bayou and tributaries	4,800,000		4,800,000		4,800,000		4,800,000	
(FC) Canyon Reservoir	3,200,000		3,200,000		3,200,000		3,200,000	
(FC) Fort Worth Floodway (Clear Fork) (not authorized)		†75,000				75,000		75,000
(FC) Fort Worth Floodway upstream extension		70,000		70,000		70,000		70,000
(R) Galveston Harbor (jetties)	1,500,000		1,500,000		1,500,000		1,500,000	
(N) Gulf Intracoastal Waterway:								
Guadalupe River channel to Victoria	450,000		450,000		450,000		450,000	
(R) Gulf Intracoastal Waterway, Port O'Connor (dikes)		25,000		25,000		25,000		25,000
(N) Houston ship channel:								
(a) Bend casing and widening to 36-foot depth only	3,500,000		3,500,000		3,500,000		3,500,000	
(b) Deepening to 40 feet (phase II)	948,000		948,000		948,000		948,000	
(N) Matagorda ship channel, 38- and 36-foot channels	4,500,000		4,500,000		4,500,000		4,500,000	
(MP) McGee Bend Dam	10,200,000		10,200,000		10,200,000		10,200,000	
(FC) Navarro Mills Reservoir	2,080,000		2,080,000		2,005,000		2,005,000	
(N) Port Aransas-Corpus Christi Waterway:								
(a) Channel to Viola, 36-foot depth, phase I	450,000		450,000		450,000		450,000	
(b) Deepening existing project to 40 and 42 feet			500,000		500,000		500,000	
(FC) Port Arthur—hurricane protection (not authorized)		†115,000				115,000		115,000
(FC) Proctor Reservoir	4,600,000		4,600,000		4,600,000		4,600,000	
Red River levees and bank stabilization below Denison Dam, Arkansas, Louisiana, and Texas. (See Arkansas.)								
(N) Sabine-Neches Waterway	1,500,000		1,500,000		1,500,000		1,500,000	
Port Arthur Bridge								50,000
(FC) San Antonio Channel	1,000,000		1,000,000		1,000,000		1,000,000	
(FC) Somerville Reservoir	1,500,000		1,500,000		1,500,000		1,500,000	
(FC) Stillhouse Hollow Dam	1,700,000		1,700,000		1,700,000		1,700,000	
(FC) Texas City	1,300,000		1,300,000		1,300,000		1,300,000	
(R) Texas City Channel (dike)		40,000		40,000		40,000		40,000
(FC) Vince and Little Vince Bayou (not authorized)		†50,000				50,000		
(FC) Waco Reservoir	15,000,000		15,000,000		15,000,000		15,000,000	
Utah:								
(FC) Weber River	250,000		250,000		250,000		250,000	
Vermont:								
(R) Burlington Harbor (breakwater)	800,000		800,000		800,000		800,000	
Virginia:								
(FC) Gathright Reservoir and Falling Springs regulating dam (deferred)		40,000		40,000		40,000		40,000
(FC) John W. Flannagan (Pound) Reservoir	3,200,000		3,200,000		3,584,000		3,200,000	
(FC) Norfolk (not authorized)		†87,000				87,000		87,000
(FC) North Fork of Pound Reservoir	500,000		500,000		500,000		500,000	

Footnotes at end of table.

Construction, general, fiscal year 1963—Continued

Construction, general, State and project (1)	Revised budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
	Construction (2)	Planning (3)	Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
Washington:								
(FC) Colfax	\$1,200,000		\$1,200,000		\$1,200,000		\$1,200,000	
Columbia River at the mouth, Oregon and Washington—Jetties. (See Oregon.)								
Columbia River at the mouth, Oregon and Washington. (See Oregon.)								
(N) Everett Harbor and Snohomish River	1,208,000		1,208,000		1,208,000		1,208,000	
(FC) Howard A. Hanson (Eagle Gorge) Reservoir	200,000		200,000		200,000		200,000	
John Day lock and dam, Oregon and Washington. (See Oregon.)								
(MP) Little Goose lock and dam	1,600,000		1,600,000		1,600,000		1,600,000	
Lower Columbia River bank protection, Oregon and Washington. (See Oregon.)								
(FC) Lower Columbia River improvement to existing works:								
Cowlitz County Consolidated Diking and Improvement District No. 2		\$50,000		\$50,000		\$50,000		\$50,000
(FC) Lower Columbia River levees at new locations:								
Kalama River, south area						10,000		10,000
(MP) Lower Granite lock and dam		500,000		500,000		500,000		500,000
(MP) Lower Monumental lock and dam	18,500,000		18,500,000		18,500,000		18,500,000	
(FC) Pullman		25,000		25,000		25,000		25,000
(FC) Sammamish River	1,060,000		1,060,000		1,060,000		1,060,000	
West Virginia:								
Belville locks and dam, Ohio and West Virginia. (See Ohio.)								
(FC) Buckhannon (not authorized)		‡30,000				30,000		30,000
(FC) Burnsville Reservoir (deferred)		35,000		65,000		65,000		65,000
(FC) East Lynn Reservoir		100,000		100,000		100,000		100,000
(FC) Justice Reservoir (not authorized)						150,000		
Hannibal locks and dam, Ohio and West Virginia. (See Ohio.)								
(N) Opekiska lock and dam	6,000,000		6,000,000		6,000,000		6,000,000	
Pike Island locks and dam, Ohio and West Virginia. (See Ohio.)								
Racine locks and dam, Ohio and West Virginia. (See Ohio.)								
(FC) Summersville Reservoir	9,750,000		9,750,000		9,750,000		9,750,000	
Wisconsin:								
(N) Ashland Harbor	340,000		340,000		340,000		340,000	
Duizh-Superior Harbor, Minnesota and Wisconsin. (See Minnesota.)								
(FC) Eau Claire River	340,000		340,000		340,000		340,000	
(N) Green Bay Harbor			260,000		260,000		260,000	
(N) Kenosha Harbor (not authorized)						15,000		15,000
Menominee Harbor (piers), Michigan and Wisconsin. (See Michigan.)								
(R) Milwaukee Harbor (breakwater)	300,000		300,000		300,000		300,000	
(R) Sheboygan Harbor (pier and breakwater)	320,000		320,000		320,000		320,000	
(R) Sturgeon Bay and Lake Michigan ship canal (revetments)	360,000		360,000		360,000		360,000	
Wyoming:								
(FC) Jackson Hole	430,000		430,000		430,000		430,000	
(FC) Sheridan	600,000		600,000		600,000		600,000	
Miscellaneous:								
(FC) Emergency bank protection	200,000		200,000		200,000		200,000	
(FC) Local protection projects not requiring specific legislation	3,000,000		3,000,000		4,000,000		4,000,000	
(N) Small navigation projects not requiring specific legislation (costing up to \$200,000)	1,500,000		1,500,000		1,500,000		1,500,000	
(FC) Snagging and clearing	200,000		200,000		200,000		200,000	
Projects deferred for restudy		(217,000)		(272,000)		(272,000)		(272,000)
Recreation facilities, completed projects	4,000,000		4,150,000		4,150,000		4,150,000	
Small authorized projects	1,500,000		1,500,000		3,000,000		3,000,000	
Fish and wildlife studies (U.S. Fish and Wildlife Service)	600,000		600,000		600,000		600,000	
(R) Minor rehabilitation projects (costing up to \$400,000)	2,500,000		2,500,000		2,500,000		2,500,000	
Employees compensation	22,000		22,000		22,000		22,000	
Reduction for anticipated savings and slip-pages	-60,000,000		-80,000,000		-60,000,000		-70,000,000	
Grand total, construction, general	761,045,000	19,600,000	745,867,000	16,494,000	786,130,500	21,832,000	772,786,500	20,059,000
	780,645,000		762,361,000		807,962,500		792,845,500	

† Submitted in S. Doc. 135.

‡ Eligible for selection under lump-sum appropriation for small authorized projects.

§ Eligible for selection under small navigation program not requiring specific legislation.

Flood control, Mississippi River and tributaries, fiscal year 1963

Projects (1)	Budget estimate for fiscal year 1963		House allowance		Senate allowance		Conference allowance	
	Construction (2)	Planning (3)	Construction (4)	Planning (5)	Construction (6)	Planning (7)	Construction (8)	Planning (9)
1. General investigations:								
(a) Examinations and surveys.....	\$42,500		\$42,500		\$62,500		\$62,500	
(b) Collection and study of basic data.....	82,500		82,500		82,500		82,500	
Subtotal, general investigations.....	125,000		125,000		145,000		145,000	
2. Construction and planning:								
Mississippi River levees.....	\$2,200,000		\$2,200,000		\$3,000,000		\$2,600,000	
Channel improvement.....	25,500,000		25,500,000		27,500,000		26,500,000	
Memphis Harbor.....	800,000		800,000		800,000		800,000	
Greenville Harbor ¹	1,530,000		1,530,000		1,530,000		1,530,000	
Old River control.....	4,200,000		4,200,000		4,174,000		4,174,000	
St. Francis Basin.....	3,900,000		3,900,000		3,900,000	\$60,000	3,900,000	\$60,000
Lower White River.....	850,000		850,000		850,000		850,000	
Cache Basin.....		\$100,000		\$100,000		100,000		100,000
West Tennessee tributaries.....	600,000		600,000		600,000		600,000	
Wolf River and tributaries.....	100,000		100,000		100,000		100,000	
Lower Arkansas.....	500,000		500,000		600,000		550,000	
Tensas Basin:								
Boeuf and Tensas Rivers, etc.....	1,740,000		1,740,000		1,740,000		1,740,000	
Red River backwater ¹	35,000		35,000		35,000		35,000	
2. Yazoo Basin:								
Sardis Reservoir.....	30,000		30,000		30,000		30,000	
Enid Reservoir.....	53,000		53,000		53,000		53,000	
Arkabutla Reservoir.....	30,000		30,000		30,000		30,000	
Grenada Reservoir.....	37,000		37,000		37,000		37,000	
Greenwood.....	700,000		700,000		700,000		700,000	
Main stem.....	2,050,000		2,050,000		2,050,000		2,050,000	
Tributaries.....	660,000		660,000		660,000		660,000	
Big Sunflower River, etc.....	1,200,000		1,200,000		1,200,000		1,200,000	
Yazoo backwater.....	900,000		900,000		900,000		900,000	
Atchafalaya Basin.....	4,900,000		4,900,000		4,900,000		4,900,000	
Lake Pontchartrain.....	760,000		760,000		760,000		760,000	
Subtotal, construction and planning.....	53,275,000	100,000	53,275,000	100,000	56,149,000	160,000	54,699,000	160,000
Reduction for anticipated savings and slippages.....	-1,500,000		-1,500,000		-1,500,000		-1,500,000	
Total, construction and planning.....	51,775,000	100,000	51,775,000	100,000	54,649,000	160,000	53,199,000	160,000
3. Maintenance.....	18,500,000		18,500,000		21,000,000		20,000,000	
Grand total.....	70,500,000		70,500,000		75,954,000		73,504,000	

¹ Completed with amount in approved budget.

Bureau of Reclamation—Construction and rehabilitation

Project (1)	Budget estimate (2)	House allowance (3)	Senate allowance (4)	Conference allowance (5)
Advance planning.....	\$1,705,000	\$130,000	\$1,400,000	\$1,030,000
Gila project, Arizona.....	3,000,000	2,000,000	2,000,000	2,000,000
Colorado River front work and levee system, Arizona-California.....	250,000	250,000	550,000	550,000
Central Valley project, California.....	47,401,000	47,401,000	47,401,000	47,401,000
Avondale, Dalton Gardens, and Hayden Lake pipe rehabilitation, Idaho.....	519,000	519,000	519,000	519,000
Wichita project, Cheney division, Kansas.....	7,100,000	7,100,000	7,100,000	7,100,000
Washoe project, Nevada-California.....	198,315	198,315	198,315	198,315
Rio Grande project, New Mexico.....			80,000	80,000
Norman project, Oklahoma.....	7,500,000	7,500,000	7,500,000	7,500,000
Rogue River Basin, Talent division, Oregon.....	439,000	439,000	439,000	439,000
Tho Dalles project, western division, Oregon.....	1,025,000	1,025,000	1,025,000	1,025,000
Vale project, Bully Creek extension, Oregon.....	1,765,000	1,765,000	1,765,000	1,765,000
Klamath project, Oregon-California.....	515,000	515,000	515,000	515,000
Canadian River project, Texas.....	10,000,000	10,000,000	10,000,000	10,000,000
Lower Rio Grande rehabilitation project, La Feria division, Texas.....	1,500,000	1,500,000	1,500,000	1,500,000
Lower Rio Grande rehabilitation project, Mercedes division, Texas.....	1,940,000	1,940,000	1,940,000	1,940,000
San Angelo project, Texas.....	2,770,000	2,770,000	2,690,000	2,690,000
Weber Basin project, Utah.....	10,538,000	10,538,000	10,538,000	10,538,000
Chief Joseph Dam project, Greater Wenatchee division, Washington.....	2,136,000	2,136,000	2,136,000	2,136,000
Columbia Basin project, Washington.....	4,569,000	4,569,000	4,569,000	4,569,000
Drainage and minor construction.....	3,956,054	3,956,054	3,956,054	3,956,054
Rehabilitation and betterment of existing projects.....	5,346,000	5,346,000	5,346,000	5,346,000
Subtotal.....	114,172,369	111,597,369	113,167,369	112,797,369
Missouri River Basin project:				
Ainsworth unit, Nebraska.....	5,800,000	5,800,000	5,800,000	5,800,000
Almena unit, Kansas.....	4,826,000	4,826,000	4,826,000	4,826,000
Cedar Bluff unit, Kansas.....	906,000	906,000	906,000	906,000
East Bench unit, Montana.....	5,620,000	5,620,000	5,620,000	5,620,000
Farwell unit, Nebraska.....	6,800,000	6,800,000	6,800,000	6,800,000
Frenchman-Cambridge division, Nebraska.....	1,714,000	1,714,000	1,714,000	1,714,000
Glen Elder unit, Kansas.....	750,000	750,000	750,000	750,000
Oahe unit, James section, South Dakota.....	220,000	220,000	220,000	220,000
Transmission division.....	14,449,000	14,229,000	14,379,000	14,379,000
Yellowtail unit, Montana-Wyoming.....	12,150,000	12,150,000	12,150,000	12,150,000
Drainage and minor construction.....	1,795,631	1,795,631	1,820,631	1,820,631
Investigations.....	1,488,000	1,000,000	1,431,000	1,143,000
Advance planning.....	1,284,000	1,284,000	1,284,000	1,284,000
Subtotal, Missouri River Basin project.....	57,802,631	57,094,631	57,700,631	57,412,631
Other Department of the Interior agencies.....	3,240,000	2,900,000	3,008,000	3,008,000
Total, Missouri River Basin project.....	61,042,631	59,994,631	60,708,631	60,420,631
Subtotal, construction and rehabilitation.....	175,215,000	171,592,000	173,876,000	173,218,000
Undistributed reduction based on anticipated delays.....	13,515,000	18,515,000	13,515,000	15,000,000
Total, construction and rehabilitation.....	161,700,000	153,077,000	160,361,000	158,218,000

House of Representatives

SATURDAY, OCTOBER 13, 1962

The House met at 12 o'clock noon.
The Chaplain, Rev. Bernard Braskamp, D.D., offered the following prayer:

Ephesians 4: 3: *Endeavor to keep the unity of the spirit in the bond of peace.*

God of infinite grace and goodness, from whom cometh our help and our hope, Thou knowest how weak we are in faith and how hesitatingly we often enter upon a new day.

Gird us with a capacity to see all our tasks in their right perspective and with courage to discharge them faithfully and without fear.

Grant that when we leave this Chamber we may commend and commit one another to Thy love and care, beseeching Thee that the benediction of Thy praise and peace may rest upon our President, our Speaker, our chosen Representatives, and all who, in this 87th Congress, have had the sacred privilege of serving our beloved country.

May the Lord bless us and keep us; may the Lord make His face to shine upon us and be gracious unto us; may the Lord lift upon us the light of His countenance and give us peace.

Amen.

THE JOURNAL

The Journal of the proceedings of yesterday was read and approved.

CIVIL FUNCTIONS APPROPRIATION BILL, 1963

The SPEAKER. The unfinished business is the vote on the motion of the gentleman from Missouri [Mr. CANNON].

Without objection, the Clerk will again report the motion of the gentleman from Missouri.

There was no objection.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: In lieu of the sum proposed by said amendment, insert "\$791,580,500".

The SPEAKER. The question is on the motion.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Doorkeeper will close the doors, the Sergeant at Arms will notify absent Members, and the Clerk will call the roll.

The question was taken; and there were—yeas 93, nays 143, not voting 199, as follows:

[Roll No. 293]

YEAS—93

Abbutt	Goodell	Moeller
Andersen,	Goodling	Monagan
Minn.	Griffin	Montoya
Ashbrook	Gross	Morse
Bates	Gubser	Mosher
Beermann	Halleck	Natcher
Betts	Halpern	Pillion
Boland	Hardy	Poff
Bolton	Harrison, Wyo.	Reece
Bonner	Harsha	Rhodes Ariz.
Bow	Harvey, Ind.	Rivers, S.C.
Broomfield	Henderson	Rooney
Broyhill	Horan	Roudebush
Bruce	Ichord, Mo.	Rutherford
Byrnes, Wis.	Jensen	St. George
Cannon	Johansen	Saylor
Chenoweth	Jonas	Schenck
Clancy	Keith	Schweiker
Colmer	Kitchin	Smith, Iowa
Cooley	Knox	Smith, Va.
Cunningham	Kunkel	Springer
Curtis, Mo.	Lane	Taber
Daddario	Latta	Thomson, Wis.
Dole	Lesinski	Tollefson
Feighan	Lindsay	Tuck
Fenton	Mahon	Van Pelt
Fogarty	Mailliard	Walter
Ford	Mathias	Wharton
Fountain	May	Whitten
Gary	Miller, N.Y.	Winstead
Gathings	Milliken	
Gialmo	Minshall	

NAYS—143

Abernethy	Garmatz	O'Brien, N.Y.
Addabbo	Gilbert	O'Hara, Ill.
Albert	Gonzalez	Olsen
Anderson, Ill.	Granahan	O'Neill
Ashley	Gray	Osmer
Ashmore	Green, Pa.	Patman
Avery	Hagan, Ga.	Perkins
Ayres	Hagen, Calif.	Pfost
Baldwin	Hansen	Pike
Barrett	Harris	Price
Battin	Hays	Pucinski
Beckworth	Healey	Purcell
Bennett, Fla.	Hechler	Randall
Boggs	Herlong	Rhodes, Pa.
Boykin	Holland	Roberts, Tex.
Brademas	Huddleston	Rodino
Bray	Jarman	Rogers, Fla.
Brewster	Jennings	Rosenthal
Brooks, Tex.	Joelson	Roush
Buckley	Johnson, Calif.	Ryan, Mich.
Burke, Mass.	Johnson, Md.	Ryan, N.Y.
Burleson	Karsten	St. Germain
Byrne, Pa.	Kearns	Selden
Cahill	Kelly	Sikes
Carey	Keogh	Sisk
Casey	Kilgore	Slack
Chelf	Kirwan	Smith, Miss.
Coad	Kluczynski	Spence
Cohelan	Kornegay	Staggers
Cook	Kowalski	Steed
Corbett	Lankford	Stephens
Cramer	Libonati	Stratton
Davis, Tenn.	McDowell	Stubblefield
Dawson	McFall	Teague, Tex.
Delaney	McMillan	Thomas
Dent	McVey	Thornberry
Dingell	Madden	Toil
Dowdy	Matthews	Trimble
Dulski	Mills	Udall, Morris K.
Edmondson	Moorhead, Pa.	Vanik
Everett	Morgan	Waggoner
Fallon	Morris	Westland
Fisher	Multer	Wickersham
Flood	Murphy	Willis
Flynt	Murray	Yates
Forrester	Nix	Young
Frelinghuysen	Norblad	Zablocki
Fulton	Norrell	

NOT VOTING—199

Adair	Garland	O'Konski
Alexander	Gavin	Ostertag
Alford	Glenn	Passman
Alger	Grant	Pelly
Andrews	Green, Oreg.	Peterson
Anfuso	Griffiths	Philbin
Arends	Haley	Pilcher
Aspinall	Hall	Pirnie
Auchincloss	Harding	Poage
Bailey	Harrison, Va.	Powell
Baker	Harvey, Mich.	Quile
Baring	Hébert	Rains
Barry	Hemphill	Ray
Bass, N. H.	Hiestand	Reifel
Bass, Tenn.	Hoeven	Reuss
Becker	Hoffman, Ill.	Riehlman
Belcher	Hoffman, Mich.	Riley
Bell	Holifield	Rivers, Alaska
Bennett, Mich.	Hosmer	Roberts, Ala.
Berry	Hull	Robison
Blatnik	Inouye	Rogers, Colo.
Blitch	Johnson, Wis.	Rogers, Tex.
Bolling	Jones, Ala.	Roosevelt
Breeding	Jones, Mo.	Rostenkowski
Bromwell	Judd	Russelot
Brown	Karth	Santangelo
Burke, Ky.	Kastenmeier	Saund
Cederberg	Kec	Schadeberg
Celler	Kilburn	Scherer
Chamberlain	King, Calif.	Schneebeli
Chiperfield	King, N.Y.	Schwengel
Church	King, Utah	Scott
Clark	Kyl	Scranton
Collier	Laird	Seely-Brown
Conte	Landrum	Shelley
Corman	Langen	Sheppard
Curtin	Lennon	Shipley
Curtis, Mass.	Lipscomb	Short
Dague	Loser	Shriver
Daniels	McCulloch	Sibal
Davis,	McDonough	Siler
James C.	McIntire	Smith, Calif.
Davis, John W.	McSween	Stafford
Denton	Macdonald	Sullivan
Derounian	MacGregor	Taylor
Derwinski	Mack	Teague, Calif.
Devine	Magnuson	Thompson, La.
Diggs	Marshall	Thompson, N.J.
Dominick	Martin, Mass.	Thompson, Tex.
Donohue	Martin, Nebr.	Tupper
Dooley	Mason	Ullman
Dorn	Meader	Utt
Downing	Merrow	Van Zandt
Doyle	Michel	Vinson
Durno	Miller,	Wallhauser
Dwyer	George P.	Watts
Elliott	Moore	Weaver
Ellsworth	Moorehead,	Weis
Evins	Ohio	Whalley
Farbstein	Morrison	Whitener
Fascell	Moss	Widnall
Findley	Moulder	Williams
Finnegan	Nedzi	Wilson, Calif.
Fino	Nelsen	Wilson, Ind.
Frazier	Nygaard	Wright
Friedel	O'Brien, Ill.	Younger
Gallagher	O'Hara, Mich.	Zelenko

So the motion was rejected.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Dooley.
Mr. Haley with Mr. Ray.
Mr. Wright with Mr. Garland.
Mr. Rogers of Texas with Mr. Weaver.
Mr. Rivers of Alaska with Mr. Curtin.
Mr. Roosevelt with Mr. Berry of South Dakota.
Mr. Aspinall with Mr. Moorehead of Ohio.
Mr. Santangelo with Mr. Lipscomb.
Mr. Farbstein with Mr. Martin of Nebraska.
Mr. Powell with Mr. Kyl.
Mr. Celler with Mr. Ostertag.
Mr. Thompson of Louisiana with Mr. Bennett of Michigan.

Mr. George P. Miller with Mr. Alger.
 Mr. Sheppard with Mr. Conte.
 Mr. Shelley with Mr. Fino.
 Mr. Hull with Mr. Widnall.
 Mr. Shipley with Mr. Stafford.
 Mr. Inouye with Mr. Nelsen.
 Mr. Donohue with Mr. Hoeven.
 Mr. Philbin with Mr. Auchincloss.
 Mr. Alexander with Mr. Utt.
 Mr. Lennon with Mr. Dague.
 Mr. Williams with Mr. Schadeberg.
 Mr. Scott with Mr. McCulloch.
 Mr. Hemphill with Mr. Hoffman of Illinois.
 Mr. Mack with Mr. Judd.
 Mr. Rostenkowski with Mr. Hiestand.
 Mr. Roberts of Alabama with Mr. Meader.
 Mr. Rains with Mr. Scranton.
 Mr. Thompson of New Jersey with Mr. Seely-Brown.
 Mr. Rogers of Colorado with Mr. Cederberg.
 Mr. Morrison with Mr. Brown.
 Mr. Doyle with Mr. Adair.
 Mr. Johnson of Wisconsin with Mr. Derounian.
 Mr. Breeding with Mr. Smith of California.
 Mr. Kastenmeier with Mr. McDonough.
 Mr. John W. Davis with Mr. Wilson of California.
 Mr. Daniels with Mr. Riehlman.
 Mr. Macdonald with Mr. Chamberlain.
 Mr. Loser with Mr. Pelly.
 Mr. King of California with Mr. Nygaard.
 Mr. Karth with Mr. Bromwell.
 Mrs. Sullivan with Mr. Derwinski.
 Mr. Taylor with Mr. Gavin.
 Mr. Thompson of Texas with Mr. Younger.
 Mr. Zelenko with Mr. Collier.
 Mr. Ullman with Mrs. Church.
 Mr. Watts with Mr. Robison.
 Mr. Whitener with Mr. MacGregor.
 Mr. Clark with Mr. Laird.
 Mr. Corman with Mr. Hall.
 Mr. Denton with Mr. Glenn.
 Mr. Diggs with Mr. Barry.
 Mr. Finnegan with Mr. Sibal.
 Mr. Evins with Mr. Wilson of Indiana.
 Mr. Elliott with Mr. Teague of California.
 Mrs. Green of Oregon with Mr. Devine.
 Mrs. Griffiths with Mr. Bell.
 Mr. Harding with Mr. Rousselot.
 Mr. Harrison of Virginia with Mr. Durno.
 Mr. Hollifield with Mr. Belcher.
 Mrs. Riley with Mrs. Dwyer.
 Mr. Reuss with Mr. Schneebeli.
 Mr. O'Brien of Illinois with Mr. Ellsworth.
 Mr. Nedzi with Mr. Becker.
 Mr. Moss with Mr. Harvey of Michigan.
 Mr. Magnuson with Mr. Langen.
 Mr. Landrum with Mr. Kilburn.
 Mr. King of Utah with Mr. Hosmer.
 Mr. Jones of Alabama with Mr. Pirnie.
 Mr. O'Hara of Michigan with Mr. Wallhauser.
 Mr. Anfuso with Mr. Tupper.
 Mr. Alford with Mr. Findley.
 Mr. Andrews with Mr. Baker.
 Mr. Bailey with Mr. Moore.
 Mr. Blatnik with Mr. King of New York.
 Mr. James C. Davis with Mrs. Wels.
 Mr. Dorn with Mr. Dominick.
 Mr. Burke of Kentucky, with Mr. Van Zandt.
 Mr. Baring with Mr. Siler.
 Mr. Bass of Tennessee with Mr. Curtis of Massachusetts.
 Mr. Friedel with Mr. Schriver.
 Mr. Gallagher with Mr. Bass of New Hampshire.
 Mr. Frazier with Mr. Short.
 Mr. Grant with Mr. O'Konski.
 Mr. Fascell with Mr. Schwengel.
 Mr. Peterson with Mr. McIntire.
 Mr. Pilcher with Mr. Qule.
 Mrs. Blitch with Mr. Hoffman of Michigan.
 Mrs. Kee with Mr. Michel.
 Mr. Downing of Virginia with Mr. Reifel.
 Mr. Marshall with Mr. Mason.
 Mr. McSween with Mr. Scherer.

Mr. Moulder with Mr. Chipfield.
 Mr. Vinson with Mr. Merrow.

Mr. BECKWORTH and Mr. GONZALEZ changed their vote from "yea" to "nay."

Mr. CUNNINGHAM and Mr. RIVERS of South Carolina changed their vote from "nay" to "yea."

The result of the vote was announced as above recorded.

The doors were opened.

Mr. SIKES. Mr. Speaker, I offer a preferential motion.

The Clerk read as follows:

Mr. SIKES moves that the House recede from its disagreement to the amendment of the Senate numbered 2 and concur therein with an amendment, as follows: in lieu of the sum proposed by said amendment insert "\$792,845,500".

Mr. CANNON. Mr. Speaker, I offer a substitute for the motion offered by the gentleman from Florida.

The SPEAKER. Does the gentleman from Florida yield to the gentleman from Missouri for the purpose of offering a substitute?

Mr. SIKES. The gentleman from Florida does not yield, Mr. Speaker.

The SPEAKER. The gentleman from Florida declines to yield to the gentleman from Missouri to offer a substitute.

The gentleman from Florida is recognized for 1 hour.

(Mr. SIKES asked and was given permission to revise and extend his remarks.)

Mr. ALBERT. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Oklahoma.

Mr. ALBERT. Mr. Speaker, I thank the gentleman.

I take this time to impress upon the Members of the House the importance of remaining available for quorum calls. There will be other legislative business which might involve a call of the House, including the adjournment sine die resolution. Without a quorum perhaps some of this business cannot be transacted.

Mr. HALLECK. Mr. Speaker, will the gentleman yield?

Mr. SIKES. I yield to the gentleman from Indiana.

Mr. HALLECK. Mr. Speaker, on behalf of the minority, I likewise take this opportunity to urge that Members hold themselves in readiness to be here and do whatever may be necessary in order that we may adjourn sine die today.

Mr. SIKES. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the subject under consideration.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. SIKES. Mr. Speaker, I dislike very much to find myself in disagreement with the chairman of my committee. I have the highest respect for him. He is one of the great men of the Congress, and he has built up here a record which is one of the most significant in the history of this great deliberative body.

But I feel I am right in asking that the House accept the amendment which I have proposed, which would add \$1,265,000 to the amount now in the bill. That amount includes:

Blue River Reservoir in Oregon...	\$500,000
Yaquina Bay and Harbor project, Oregon.....	200,000
Columbia and Lower Willamette Rivers below Vancouver, Wash., and Portland, Ore.....	100,000
Cross Florida Barge Canal.....	205,000
Bascule bridge on the Sabine-Neches Waterway at Port Arthur, Tex.....	50,000
Calumet Harbor, Ill.....	110,000
Kaskaskia River, Ill.....	100,000
Total.....	1,265,000

Mr. Speaker, I am speaking directly for a budget item of \$205,000 for advanced engineering and design of the Florida Cross State Canal. We are told that this will complete all preconstruction design. Then we can take another look to decide whether actual construction should begin. We have spent \$1½ million. But unless we spend this item of \$205,000 for planning we shall have wasted a large part of the money heretofore spent in engineering and design. Starts and stops in any program are costly. We want to finish what we have begun.

This project has been authorized for years. There is no rhyme or reason in suggesting that we go back to the Public Works Committee for another authorization. The engineers have periodically checked this project and they have found that the benefit ratio is steadily improving. Any talk of a new authorization is purely a device to kill the project.

The project now has economic justification of approximately 1.2. It is important not only to Florida, but the U.S. engineers have stated it will have direct economic benefit to 36 States. It closes a gap between the Atlantic and gulf coastal waterway systems. And let me emphasize here and now, there is no problem in connection with the use by barge traffic of the stretch of open gulf between the western terminus of the canal and the eastern terminus of the gulf intercoastal canal at St. Marks. This is sheltered water which barges and other craft now traverse every day without difficulty. The use of the Florida Cross State Barge Canal is not tied to the completion of a canal from St. Marks to the Atlantic.

THE CANAL IS 12 FEET DEEP

Now, here is something that deserves your special consideration. Henceforth, most of the missiles to be fired at Cape Canaveral will be so big they must go there by water. Those that go from the gulf coast to Cape Canaveral will save 500 miles if the cross State barge canal is available.

The Caribbean is no longer a placid American lake. The Panama Canal is no longer a certain, safe artery for American and world commerce. Castro and Khrushchev have changed all this.

In World War II the United States lost to enemy submarines 77 tankers and 88 dry cargo ships operating in the gulf

and off the Atlantic coast of Florida. The loss of these 165 ships, their cargoes, many of their crew members, resulted in a cost many times as much as the entire Cross State Barge Canal. Anyone who heard the cries of men on those torpedoed and burning ships, or saw the wrecks of men who came ashore, some of them more dead than alive, will not want that experience repeated.

But Hitler had no base of operations in Cuba or in the Caribbean. He had only a handful of submarines. Khrushchev has a naval base in Cuba. Khrushchev has many times the number of submarines that Hitler had and much better subs. They are missile-carrying subs which endanger the whole eastern seaboard—as well as shipping. The Reds can create havoc along our coasts any day they wish.

So the canal is a defense measure, too. It will free ships. It will save crews. It will free railroads for coast-to-coast shipping. It will save shipping costs in peace and in war.

For \$205,000—a budget item—we can be ready to go ahead with construction when the time is right. We will have a completed preconstruction package. We will not have spent without avail the \$1½ million which already has gone into this preconstruction package. We will be penny wise and pound foolish to reject this low-cost item at this late and dangerous date in the security of America.

Mr. CRAMER. Mr. Speaker, because much has been said but still much misunderstanding persists about the Cross-Florida Barge Canal I submit the following report indicating the project is feasible and discussing its need:

CROSS-FLORIDA BARGE CANAL—CHIEF OF ENGINEERS' EVALUATION

1. Authorization of project: The Cross-Florida Barge Canal was authorized by Public Law 675, 77th Congress, dated July 23, 1942. The report on which authorization is based is printed in House Document No. 109, 79th Congress, 1st session.

2. Plan of improvement: The Cross-Florida Barge Canal project provides for a canal suitable for barge traffic 107 miles long, extending from the St. Johns River near Palatka, Fla., near the Atlantic coast to the Gulf of Mexico near the mouth of the Withlacoochee River, about 40 miles north of Tampa. Access to the Atlantic coast will be via St. Johns river. The project consists of five locks and dams and dredged channels. The navigable channels of the waterway would have minimum dimensions 12 feet deep and 150 feet wide. The five locks would be 84 feet wide and 600 feet long.

3. Local cooperation: Local interests are required to provide without cost to the United States all lands, easements, and rights-of-way necessary for the construction of the canal; hold and save the United States free from damages due to the construction works; and take over, maintain, and operate all new public highways built in connection with the project. The Florida State legislature in 1961 established a canal authority under the cabinet. This authority is empowered to meet the requirements of local cooperation.

4. Authority for and scope of evaluation: In accordance with requests of the House and conference committees in connection with the Public Works Appropriation Act for fiscal year 1962 for an up-to-date evaluation of the Cross-Florida Barge Canal, a reanalysis was made of the project cost, prospective commerce, unit transportation sav-

ings, other navigation benefits, and collateral benefits, based upon conditions prevailing at this time and anticipated during a 50-year period of analysis from 1970 to 2020. The following reports and data were analyzed in making this evaluation:

(a) "Economic Restudy Report," January 10, 1958, by the district engineer, Jacksonville district, and the division engineer, South Atlantic division.

(b) "Economic Evaluation Report," March 13, 1962, by the district engineer, Jacksonville district, and the division engineer, South Atlantic division.

(c) "Potential Traffic and Transportation Cost Saving of Cross-Florida Barge Canal," March 1962, by Arthur D. Little, Inc.

(d) The background data, work sheets, and detailed analysis sheets that support the findings of these reports.

In addition, the services of a recognized rate consultant were retained to provide an independent check of current transportation rates and charges.

5. Cost estimates:

(a) District and division engineers' estimates: the district and division engineers' current estimate of project cost, as given below, is based on contract drawings, plans, and specifications prepared in 1945, with certain modifications to adapt to current standards and criteria as listed in inclosure 3 to the district engineer's economic evaluation report, March 13, 1962.

First cost

Federal:	
Corps of Engineers.....	\$134,300,000
Coast Guard (for navigation aids).....	200,000
Subtotal.....	134,500,000
Non-Federal.....	12,400,000
Total.....	146,900,000

(b) In contrast to estimates made in 1958 and subsequent years by escalation of previous figures, the current district and division engineers' estimate is based on current construction costs and methods.

(c) Chief of Engineers' estimate: The standards, criteria, construction practices and unit prices on which the district and division engineers' estimate is based are considered proper, with the exception that provision for minimum horizontal bridge clearance of 150 feet as previously planned in the interest of safe and economical navigation, and additional clearing in the project pools, are desirable. With these modifications the current estimates of first and average annual project costs are as follows:

First cost

Federal:	
Corps of Engineers.....	\$145,300,000
Coast Guard.....	200,000
Subtotal.....	145,500,000
Non-Federal.....	12,400,000
Total.....	157,900,000

Annual charges

Federal:	
Interest and amortization.....	\$5,710,000
Maintenance, operation, and replacements.....	680,000
Total Federal annual charges.....	6,390,000
Non-Federal:	
Interest and amortization.....	486,000
Maintenance, operation, and replacements.....	118,000
Loss of taxes on lands transferred to Federal ownership.....	45,000
Total non-Federal annual charges.....	649,000
Total.....	7,039,000

6. Tributary area: The Cross-Florida Waterway would serve as a connection between the gulf and Atlantic Intracoastal Waterways and would provide a new mode of transportation to the immediate tributary area. The latter includes the following 10 Florida counties: Alachua, Citrus, Clay, Duval, Flagler, Levy, Marion, Nassau, Putnam, and St. Johns. For certain commodities the trade area tributary to the canal is the entire State of Florida or the southeastern region of the United States.

7. Traffic analysis: The basic data and background material used in determining prospective average annual traffic and transportation savings shown in the referenced reports were thoroughly reviewed as a basis for the Chief of Engineers current evaluation. Each prospective commodity movement was examined to eliminate duplications in traffic and tonnages. A determination was made that traffic considered as currently prospective canal traffic was actually moving in 1962 via some existing mode of transport and routing. In this regard, considerable reliance was placed upon data developed in the consultant's 1962 field investigation and his contacts with established shippers and receivers. This information served to validate many of the traffic items previously accepted in the Corps of Engineers 1958 analysis. Adjustments were made for traffic previously accepted which is no longer moving in the same amount, manner, or direction, due to changes in competitive relationships and alignments, company operations, origins, destinations, etc. The consultant's investigation also disclosed a number of prospective movements which have developed subsequent to the 1958 study.

8. Currently prospective traffic: A total of 2,555,200 tons of reasonably prospective current traffic was subjected to a detailed comparative analysis of transportation rates and charges between existing routings and modes of transport, and estimated through transportation charges via the proposed waterway. A complete recheck of transportation rates and charges used in both the Corps of Engineers' 1958 study and the consultant's 1962 study was obtained by contract with a recognized traffic consultant in Jacksonville, Fla. The rates used in the current evaluation are those in effect as of May 15, 1962, or proposed rates due to become effective within 60 days thereafter. Barge transportation charges used in this review are based on the latest available data on water-carrier operating costs as developed for use in corps-wide navigation studies currently in progress. All appropriate accessorial charges associated with the through point-to-point movement of specific commodities have been included in the rate computations. Based upon this complete reevaluation, a total of 1,575,200 tons of the reasonably prospective current waterway traffic were eliminated because of insufficient or no prospective savings. Table 1, inclosed, presents a detailed summary of the Chief of Engineers' analysis of currently prospective traffic, amounting to 980,000 tons.

9. Prospective 1962 traffic and savings: The recheck of transportation rates revealed that many selective rail rate reductions have been put into effect since the 1958 study was made. These adjustments have reduced the unit savings applicable to many of the commodity movements accepted for this analysis. Prospective 1962 traffic and the unit and total savings applicable thereto are presented in the following tabulation. For purposes of comparison similar data from the 1958 report are included.

Estimated base year traffic and savings

Commodity	Corps of Engineers 1958 report			Chief of Engineers analysis		
	Traffic, net tons	Unit savings	Total savings	Traffic, net tons	Unit savings	Total savings
Products of forests.....	49,700	\$2.58	\$128,200	11,000	\$2.10	\$23,100
Products of mines.....	40,000	4.39	175,600	35,000	1.79	62,700
Petroleum.....	120,000	1.08	129,600	130,000	1.08	140,400
Fertilizer and fertilizer materials.....	137,000	4.02	550,600	152,000	2.31	351,300
Industrial chemicals.....	142,300	6.10	869,100	159,000	4.72	892,100
Paper and paper products.....	287,650	4.53	1,305,500	330,000	3.13	1,031,700
Animal feeds.....				60,000	0.95	57,000
Manufactures and miscellaneous.....	84,000	3.81	319,800	73,000	4.34	317,700
Total.....	860,650	4.04	3,478,400	980,000	2.93	2,876,000

10. Reconciliation of estimates: The estimates of base year commercial freight traffic and savings developed in the Corps of Engineers' 1958 report and in this analysis are presented in the preceding paragraph. The consultant's 1962 study indicates that 3,313,850 tons and \$14,002,196 savings would be potentially prospective to the waterway by 1970. Some of the commodity movements included in the latter estimate were not included in the Chief of Engineers' evaluation on the basis of review of prospective savings. The basis for the major exclusions is as follows:

(a) Coal: The consultant's prediction of 1,500,000 tons of coal traffic in 1970 is premised on future thermal electric generating capacity being located in the canal service area. It is agreed that future thermal capacity will use coal and that there will be a significant increase in coal imports in Florida. However, in previous studies of the prospective movement of coal from Alabama mines to Florida and Georgia coastal areas, it was found that rail freight rates were less than estimated barge charges via the proposed waterway. Reanalysis of existing rail freight rates for coal movements from eastern Kentucky, Tennessee, and Alabama mines to Florida and Georgia destinations compared with current estimates of barge transportation charges confirms the previous finding that little or no savings would accrue to barge movements of coal. This is, of course, based on the assumption that these rail rates would continue in the future. However, in view of the large quantity involved, a small change in the relationship between rail rates and barge charges could result in waterborne shipments of coal on the proposed canal.

(b) Sand and clay: The consultant's study considered 369,000 tons of sand and clay as prospective 1970 traffic, based on operations which have developed since the time of the earlier study. This traffic might utilize the Federal project on the St. John's River, a presently available water route, for shipments to east coast destinations. Although conveniently located in relation to the existing waterway, none presently moves by barge. Subsequent investigation revealed that most of the existing sand and clay traffic moves in rail carload quantities which could not readily utilize barge transportation. In view of these findings and uncertainties concerning direction of movement and specific destinations, none of the sand and clay traffic was accepted as prospective for the canal at this time.

(c) Crude petroleum: The consultant's estimate of 118,000 tons of crude oil traffic is based on the assumption that an asphalt refinery would be located on the canal in the Ocala area by 1970. Subsequent investigation revealed that the prospective shipper does not have firm plans at this time for construction of a refinery. Accordingly, this item was not included in the Chief of Engineers' estimate of currently prospective traffic.

(d) Pulpwood and stumpwood: A total of 60,000 tons of prospective pulpwood and stumpwood traffic included in the consultant's estimate were not included in the Chief of Engineers' evaluation because the location of sources of timber supply in relation to the proposed waterway generally would require overland movement by truck and transfer to barge, resulting in overall transportation charges in excess of present rail rates.

(e) Feed grain: The consultant's analysis considered a large tonnage of feed grains as prospective traffic. This analysis disclosed that the area wherein such grains could be delivered via the canal at a savings over other routes and modes of transportation would be more restricted than that considered by the consultant. Accordingly, the tonnage used in this analysis is less than that estimated by the consultant.

11. Alternate route via Tennessee-Tombigbee Waterway, Ala. and Miss.: This authorized, but not constructed barge navigation project has recently been restudied to determine its present economic status. In the current analysis of prospective traffic for the Cross-Florida Canal, consideration was given to prospective movements with and without the Tennessee-Tombigbee project in operation. All the prospective traffic and transportation savings credited to the cross-Florida improvement have been developed independently and are, therefore, not contingent on provision of the Tennessee-Tombigbee Waterway. With both projects in operation, however, additional transportation savings would be realized, part of which would be creditable to the Cross-Florida Barge Canal.

12. Projection of commerce and savings: The study made for the 1958 report was reviewed in the light of more recent data, particularly the 1960 Census of Population and the consultant's report. It was found that the 1958 study tends to understate the growth trends applicable to base year traffic. New projection factors were developed applicable to prospective through and local traffic. Traffic which would terminate in Florida is considered local. Through traffic is that traffic which either would move through the length of the canal or originate in Florida and terminate outside the State.

13. Indexes of growth: For the purposes of estimating prospective traffic over the 50-year period of analysis from 1970 through 2020, growth trends for population, value added by manufacture, per-capita consumption, and fertilizer consumption were developed. Each of the commodity movements, except crates and boxes, is expected to increase in relation to one or more of these indexes. For example, the demand for consumer type commodities, such as petroleum products, newsprint, and sugar, is expected to change in response to the change in population and the change in per-capita consumption of such commodities. Manufactured products are expected to increase in relation to the expected growth in the manufacturing sector of the economy.

14. Population: Estimated U.S. population for the period ending 2010 is based on a study made by the Office of Business Economics of the Department of Commerce in connection with the Delaware River Comprehensive Survey. For the period 2010-2020 it was assumed that the same rate of growth would continue as estimated for the period 1980-2010. In projecting the population of Florida and the immediate tributary area this study has related population growth in Florida to the Nation and growth in the immediate tributary area to growth in Florida. The projection of the State population checks very closely with the average of the four projections prepared for the Senate Select Committee on Water Resources by the Bureau of the Census. In estimating the future population of Levy and Marion Counties in connection with movement of petroleum products, a relationship was established with the 10-county tributary area. The population of Florida has been increasing faster than the Nation's population and it is expected that this trend will continue, though at a somewhat reduced rate. The following tabulation presents actual United States and Florida population 1900-1960 and estimated population 1970-2020. The State population as projected herein agrees very closely with the consultant's projection.

Year	United States	Florida	Percent of United States
	Millions	Thousands	
1900.....	76	530	0.7
1910.....	92	755	.8
1920.....	106	962	.9
1930.....	123	1,471	1.2
1940.....	132	1,915	1.4
1950.....	152	2,821	1.9
1960.....	181	5,000	2.8
1970.....	211	6,760	3.2
1980.....	248	8,600	3.5
1990.....	286	10,500	3.7
2000.....	326	12,400	3.8
2010.....	370	14,400	3.9
2020.....	420	16,800	4.0

The population of the 10-county and 2-county tributary areas has not increased as fast as the State's population and this trend appears likely to continue. The following tabulation shows actual population of the two tributary areas, 1900-60, and estimated population 1970-2020:

Year	10-county area	Percent of State	2-county area	Percent of 10-county area
	Thousands		Thousands	
1900.....	146	27.5	33	22.6
1910.....	196	25.9	37	18.9
1920.....	231	24.0	34	14.7
1930.....	293	10.9	42	14.3
1940.....	357	18.6	44	12.3
1950.....	495	17.9	49	9.9
1960.....	704	14.2	62	8.8
1970.....	880	13.0	73	8.3
1980.....	1,065	12.4	85	8.0
1990.....	1,260	12.0	97	7.7
2000.....	1,450	11.7	109	7.5
2010.....	1,640	11.4	121	7.4
2020.....	1,800	11.0	140	7.2

15. Per capita consumption: The prospective traffic includes some commodities; namely, petroleum products and newsprint, for which the per capita demand has been increasing. This study estimates that the per capita demand for petroleum products and newsprint will increase 80 and 60 percent, respectively, between 1960 and 2020. This is a somewhat lower rate of increase than has occurred in the past 30 years. There has been no noticeable increase in the per capita demand for sugar and lumber and none is assumed for the future. The demand for feed grains in Florida has increased

faster than population in recent years; however, due to expected changes in land use, this study estimates that the demand for grains will increase at approximately the same rate as Florida's population in the future.

16. Value added by manufacture: For the purpose of projecting value added by manufacture in the United States a relationship was established with gross national product. Gross national product projections for the period ending 2010 are from the study by the Office of Business Economics previously mentioned, the estimate being converted to 1954 dollars. For the period 2010-20 it was assumed that the same rate of growth would continue as for the period 1980-2010. This study also estimates that because of the rising demand for services, manufacturing employment beyond 1980 will not increase as fast as total employment, and thus value added by manufacture is not expected to increase as fast as gross national product. The following tabulation shows gross national product and value added by manufacture for selected years 1929-58 and estimated 1960-2020:

[In billions of 1954 dollars]

Year	Gross national product	Value added by manufacturing	Percent of gross national product
1929.....	\$182	\$54	29.4
1931.....	153	40	25.9
1933.....	127	32	24.9
1935.....	153	38	25.0
1937.....	184	47	25.8
1939.....	189	48	25.5
1947.....	282	89	31.6
1949.....	293	85	29.1
1950.....	318	98	30.7
1954.....	363	117	32.2
1958.....	401	128	32.0
1960.....	441	141	32.0
1970.....	610	196	32.0
1980.....	840	269	32.0
1990.....	1,156	364	31.5
2000.....	1,550	480	31.0
2010.....	2,120	636	30.0
2020.....	2,900	841	29.0

Florida's share of the national manufacturing output has increased and this study estimates this trend will continue through 1990 from which time it is projected to grow at the national rate. Thus, value added by manufacture in Florida is estimated to increase at a rate of 3.5 percent per year, as compared with an expected national rate of increase of 3 percent per year, until 1990, and then at a rate of 3 percent per year to 2020. The following tabulation shows estimated value added by manufacture in Florida for the period 1960-2020:

Value added by manufacture

Florida:	Million 1954 dollars
1960.....	1,551
1970.....	2,188
1980.....	3,086
1990.....	4,354
2000.....	5,851
2010.....	7,863
2020.....	10,567

17. Consumption of fertilizers: In projecting the consumption of fertilizers this study has related the demand for fertilizers to estimated farm output. The index of farm output itself was estimated to increase at about the same rate as the U.S. population. This is generally consistent with other projections of farm output. The following tabulation shows the index numbers of U.S. population, farm output, and the demand for fertilizers 1945-60 and estimates for 1970-2020:

Year	U.S. population	U.S. farm output ¹	U.S. demand for fertilizers
1945.....	78	74	58
1950.....	85	75	81
1955.....	92	88	91
1960.....	100	100	100
1970.....	117	117	122
1980.....	137	137	150
1990.....	158	158	181
2000.....	180	180	216
2010.....	204	204	256
2020.....	232	232	305

¹ Index, 1960=100.

In the period from 1929 to 1960 Florida increased its share of the Nation's consumption of fertilizers from 5.2 to 6.4 percent. Since agricultural output in Florida has been growing somewhat faster than for the United States and this trend is expected to continue, it is also expected that Florida's increasing share of U.S. fertilizer consumption will continue into the future. The following tabulation shows the consumption of fertilizers in Florida for designated years and estimated consumption, 1970-2020:

Year	Florida fertilizer consumption	Percent of United States
	1,000 tons	
1929.....	427	5.2
1930.....	489	5.8
1935.....	400	6.1
1940.....	533	6.2
1945.....	821	5.8
1950.....	925	4.7
1955.....	1,229	5.5
1960.....	1,559	6.4
1970.....	1,970	6.6
1980.....	2,640	6.9
1990.....	3,190	7.2
2000.....	3,970	7.5
2010.....	4,830	7.7
2020.....	5,850	7.9

18. Summary of projection factors: The projection factors used to estimate future traffic over the period of analysis for the waterway are summarized herein.

(a) Population index: All movements of commodities related to the population index are local and terminate within the State of Florida. Grain, sugar, and lumber traffic was estimated to increase in relation to Florida's population. Newsprint was also estimated to increase in relation to Florida's population as modified by an estimated increase in the per capita demand of 60 percent by 2020. Sewer pipe traffic was estimated to increase in relation to the population increase of the 10-county area. Petroleum traffic was estimated to increase in relation to the population increase of the two-county area as modified by an increasing per capita demand. The following tabulation shows the projection factors that were applied to 1962 base year traffic in commodities related to the population index:

Year	Grain, sugar, and lumber	Newsprint	Sewer pipe	Petroleum products
1962.....	100	100	100	100
1970.....	130	140	114	126
1980.....	165	195	133	166
1990.....	202	269	152	211
2000.....	236	328	170	260
2010.....	277	410	189	315
2020.....	325	510	219	394

(b) Manufacturing index: Through traffic in commodities related to the manufacturing

index were projected on the basis of the estimates of value added by manufacture in the United States. Local traffic in commodities related to the manufacturing index were projected in relation to the estimated increase in value added by manufacture for the State of Florida. The following tabulation shows the projection factors that were applied to 1962 traffic in commodities related to manufacturing:

Year	Local traffic	Through traffic
1970.....	132	130
1980.....	186	179
1990.....	262	243
2000.....	352	320
2010.....	473	424
2020.....	636	561

(c) Fertilizer index: Through fertilizer traffic was projected on the basis of increased demand for fertilizers in the United States and local traffic was projected on the basis of estimated demand for fertilizers in Florida. The following tabulation shows the projection factors that were applied to 1962 traffic in commodities related to the fertilizer index:

Year	Local traffic	Through traffic
1970.....	120	118
1980.....	155	146
1990.....	195	176
2000.....	242	210
2010.....	295	249
2020.....	357	296

19. Application of growth factors: The following list shows the relationship between the above indexes and the commodities:

Population index: Grain; lumber; newsprint; petroleum; pipe, sewer; and sugar.

Manufacturing index: Acrylonitrile, caustic soda, chlorine, ilmenite ore, iron and steel products, methanol, paper products, polyvinyl chloride, pulpboard, salt, salt cake, tall oil, and woodpulp.

Fertilizer index: Ammonium nitrate, ammonium sulfate, aqua ammonia, nitrogen products, potash, and sewer sludge.

It was assumed that there would be no growth in the miscellaneous item for crates and boxes. In the case of several commodities indices were adjusted to compensate for anticipated changes in per capita use. As derived from the accepted 1962 traffic shown in table 1, 31 percent of this traffic was related to the population index, 53 percent to the manufacturing index, 15 percent to the fertilizer index and 1 percent to miscellaneous. The indices of growth applied are the aggregate of numerous factors reflecting the general level of economic and other activities locally and in the Nation and, therefore, their application does not mean that traffic in each individual commodity related to a particular index would necessarily grow at that specific index rate.

20. Estimated traffic and transportation savings, 1962-2020: Table 2 herewith shows the estimated traffic for local and through movements and table 3 shows transportation savings both for 1962-2020 by index groups. In addition, the latter shows the estimated transportation savings to local and through traffic to be 40 and 60 percent, respectively, for 1962. Transportation savings, for the project analysis period 1970-2020, were discounted at an interest rate of 2½ percent. The resulting annual transportation benefits to the project are estimated at \$7,016,000.

21. Other navigation benefits:

(a) Many trips are made each year between the Atlantic and gulf coasts by commercial fishing vessels, contractors' floating construction plant, and new vessels being delivered from shipbuilders to customers. Some of these trips may be made via the Okeechobee Waterway route but many, because of the limitations of that waterway, must be made via the longer, more exposed route around the Florida Keys. For trips originating or terminating in the north, the Cross-Florida Barge Canal would reduce sailing distance by 356 miles compared with the Okeechobee Waterway route and 611 miles compared to the route via the Florida Keys. The District and Division Engineers estimate prospective savings due to these reductions at \$210,000 annually. This estimate has been reviewed and with the addition of \$5,000 additional savings for vessel deliveries has been used in the Chief of Engineers' evaluation.

(b) The Cross-Florida Barge Canal would enhance recreational boating in the area and extend the range of this activity. The District and Division Engineers' annual benefit estimate of \$118,000 for improvement in recreational boating has been incorporated in the Chief of Engineers' evaluation.

22. Collateral benefits:

(a) Large areas along the canal route experience periodic flooding. Some 100 square

miles are affected. Major floods occurred in 1945, 1953, 1958, 1959, and 1960. The navigation canal would serve as a flood channel affording substantial protection to these areas for floods having an average recurrence period of about 10 years and would facilitate removal of floodwaters arising from larger floods. The flood areas are well suited to development for agricultural purposes, principally citrus growing, vegetable production, and for improved dairy and beef pastures. Based on data and estimates furnished by agricultural experts in the area a projection of these developments has been made. On the basis of this projection it is anticipated that annual flood control benefits of about \$257,000 will be realized.

(b) Construction of the project would create new waterfront land along much of the project length. It would create two pools of considerable areal extent having shorelines of 74 and 108 miles. Waterfront properties are in demand in the area and values are relatively high. The areas involved would be particularly attractive for summer and year-round residences. Assuming progressive development of the shorelines and based on values supplied by experienced realtors and appraisers it is estimated that the annual benefits due to enhancement of these properties will amount to \$650,000.

23. Annual benefits, annual charges, and benefit-cost ratio: A summary of the annual benefits, annual charges, and benefit-cost ratio developed for the Cross-Florida Barge Canal in the Chief of Engineers evaluation is presented in the following tabulation. For purposes of comparison similar data for the Corps of Engineers 1958 report are also presented.

[In thousands of dollars]

Item	1958 report	Present study
Annual benefits:		
Navigation:		
Transportation savings.....	7,407	7,016
Commercial fishing benefits.....	49	70
Benefits to contractors floating plant.....	20	30
Benefits to new vessel deliveries.....	155	115
Benefits to recreational boating.....	127	118
Subtotal, navigation benefits.....	7,758	7,349
Collateral:		
Flood control benefits.....		257
Land enhancement benefits.....		650
Subtotal, collateral benefits.....		907
Total, annual benefits.....	7,758	8,256
Total, annual charges.....	7,365	7,039
Benefit-cost ratio.....	1.05	1.17

TABLE I.—Summary of prospective 1962 freight traffic for the Cross-Florida Barge Canal

[Traffic in net tons]

Commodity	Traffic considered		Eliminated by screening ²	Accepted for re-analysis	Eliminated by reanalysis ⁴	Prospective 1962 traffic	Commodity	Traffic considered		Eliminated by screening ²	Accepted for re-analysis	Eliminated by reanalysis ⁴	Prospective 1962 traffic
	Estimated traffic 1958 report ¹	Consultant's estimate ³						Estimated traffic 1958 report ¹	Consultant's estimate ³				
Products of forests:							Industrial chemicals—						
Pulpwood.....		40,000		40,000	40,000		Continued						
Stumpwood.....		20,000		20,000	20,000		Methanol.....		7,000		7,000		7,000
Lumber.....	36,000	11,000		36,000	25,000	11,000	Polyvinyl chloride.....	12,500	24,000		24,000		24,000
Logs.....	13,700			13,700	13,700		Sulfur.....	5,000		5,000			
Subtotal.....	49,700	71,000		109,700	98,700	11,000	Salt (industrial).....		7,500		8,000		8,000
Products of mines:							Salt cake.....	41,800	58,000	1,800	68,000	18,000	50,000
Ilmenite ore.....	40,000	65,000	30,000	35,000		35,000	Subtotal.....	142,300	166,500	8,800	207,000	18,000	189,000
Coal.....		1,500,000	700,000	800,000	800,000		Paper and paper products:						
Clay.....		134,000		134,000	134,000		Woodpulp.....	15,600			16,000		16,000
Sand.....		235,000		235,000	235,000		Tall oil.....	35,500	59,000	1,000	48,000		48,000
Subtotal.....	40,000	1,934,000	730,000	1,204,000	1,169,000	35,000	Pulpboard.....	218,050	67,200	600	243,500	139,500	104,000
Petroleum:							Paperboard.....		47,000		47,000		47,000
Crude oil.....		118,000	118,000				Newsprint.....	5,500	53,500		60,000		60,000
Petroleum products.....	120,000	39,000	29,000	130,000		130,000	Miscellaneous paper products.....	13,000	162,600		58,000	3,000	55,000
Subtotal.....	120,000	157,000	147,000	130,000		130,000	Subtotal.....	287,650	389,300	1,600	472,500	142,500	330,000
Fertilizer and fertilizer materials:							Animal feeds:						
Ammonia.....	20,000	10,000	10,000	10,000		10,000	Corn.....		400,000	310,000	90,000	35,000	55,000
Ammonium nitrate.....	18,800	23,750		34,000		34,000	Soybean meal.....		40,000	30,000	10,000	5,000	5,000
Ammonium sulfate.....	22,000	8,000	2,000	22,000		22,000	Subtotal.....		440,000	340,000	100,000	40,000	60,000
Nitrogen fertilizer solutions.....	31,000	10,000		43,000	10,000	33,000	Manufactures and miscellaneous:						
Potash.....	27,000	10,000		28,000	28,000		Iron and steel articles.....	49,600			50,000	27,000	23,000
Sewage sludge.....	18,200	47,500	22,500	25,000		25,000	Crates and boxes.....	9,400	6,800		10,000		10,000
Subtotal.....	137,000	109,250	34,500	162,000	10,000	152,000	Sugar (refined).....	25,000	30,000		30,000		30,000
Industrial chemicals:							Sewer pipe.....		10,000		10,000		10,000
Acrylonitrile.....	20,000	20,000		20,000		20,000	Subtotal.....	84,000	46,800		100,000	27,000	73,000
Caustic soda.....	36,000	50,000		55,000		55,000	Total, all traffic.....	860,650	3,313,850	1,261,900	2,485,200	1,505,200	980,000
Chlorine.....	27,000		2,000	25,000		25,000							

¹ As shown in table B-1, appendix B, economic restudy of Jan. 10, 1958, Jacksonville district.

² Estimated 1970 traffic.

³ Eliminated because of unsubstantiated tonnage requirements; tonnage duplication; traffic not currently moving; location of shipper and/or receiver; and insufficient volume of individual small-lot shipments.

⁴ Eliminated as prospective waterway traffic because of insufficient or no savings based on comparative analysis of existing or proposed transportation rates and charges via alternative modes of transport, i.e., rail, truck, barge, steamship, etc.

TABLE 2.—Estimated traffic, 1962-2020, by index groups and local or through movements

[Thousands of tons]

Index groups	1962	1970	1980	1990	2000	2010	2020
Population index.....	301	390	513	650	795	957	1,170
Local.....	301	390	513	650	795	957	1,170
Through.....							
Manufacturing index.....	517	680	928	1,274	1,687	2,244	2,972
Local.....	105	138	195	274	369	497	667
Through.....	412	542	733	1,000	1,318	1,747	2,305
Fertilizer index.....	152	181	230	286	351	423	509
Local.....	96	115	148	188	233	284	343
Through.....	56	66	82	98	118	139	166
Miscellaneous.....	10	10	10	10	10	10	10
Local.....							
Through.....	10	10	10	10	10	10	10
Total.....	980	1,261	1,681	2,220	2,843	3,634	4,661
Local.....	502	643	856	1,112	1,397	1,738	2,180
Through.....	478	618	825	1,108	1,446	1,896	2,481

TABLE 3.—Estimated transportation savings, 1962-2020, by index groups and local or through movements

[Thousands of dollars]

Index groups	1962	1970	1980	1990	2000	2010	2020
Population index.....	537	693	907	1,140	1,385	1,660	2,001
Local.....	537	693	907	1,140	1,385	1,660	2,001
Through.....							
Manufacturing index.....	1,950	2,514	3,428	4,704	6,227	8,281	10,964
Local.....	358	471	605	934	1,258	1,695	2,274
Through.....	1,592	2,043	2,763	3,770	4,969	6,586	8,690
Fertilizer index.....	351	418	532	664	816	985	1,186
Local.....	241	289	371	472	585	713	861
Through.....	110	129	161	192	231	272	325
Miscellaneous.....	37	37	37	37	37	37	37
Local.....							
Through.....	37	37	37	37	37	37	37
Total savings.....	2,875	3,662	4,904	6,545	8,465	10,963	14,188
Local.....	1,136	1,453	1,943	2,546	3,228	4,068	5,136
Through.....	1,739	2,209	2,961	3,999	5,237	6,895	9,052

Mr. BENNETT of Florida. Mr. Speaker, it is my firm conviction that the most important single waterway project before the Congress of the United States is the Cross-Florida Barge Canal. My support of this project is primarily based upon its defense value. Four Presidents of the United States have had an important part to play in the recent history of this project, Presidents Roosevelt, Truman, Eisenhower, and Kennedy, and even way back in the 19th century President Andrew Jackson vigorously supported this canal. After extended studies through many years of other various possible alternative routes the present route was selected and the project was authorized in 1942 by a bill, "to promote the national defense and to promptly facilitate and protect the transport of materials and supplies needful to the Military Establishment by authorizing the construction and operation of a pipeline and a navigable barge channel across Florida." This authorization by Congress was not on the basis of any economic justification but solely on its national defense values. The canal, however, was not built at that time because of the necessity in time of war to apply to all manpower and equipment in other directions in the emergencies involved.

As soon as I was discharged from the U.S. Army in 1947, I ran for Congress on the platform of the construction of this canal and came to Congress in January of 1949. I had the active help of President Truman in the accumulation of material necessary for a full presentation to Congress, but was not able to make such a presentation until during the administration of President Eisenhower. Under President Eisenhower's leadership it was thought that it would be well to see if the project could be justified not only for its defense values but also for its economic justifications, and President Eisenhower took the leadership in making this a budget item, and the studies were conducted and they showed economic justification for the project during the Eisenhower administration. Additional surveys were made in the beginning of President Kennedy's administration and they resulted in an even greater economic justification, 5 times the original economic justification, or the final figure of 1.2 over 1.

During President Kennedy's campaign for the Presidency of the United States he had written and allowed me to publish during that campaign the following statement over his signature:

I know of your persistent work for the early construction of the Cross-Florida Barge Canal. If I am elected President, I will be glad to cooperate with you in making this project a reality. I regard it not only as important to Florida, but to the economy of our entire country, which must fully utilize all of our natural resources if we are to achieve necessary economic expansion.

President Kennedy has done everything he can to bring this to Congress for prompt action, having placed in the budget an item for \$205,000 to complete the planning and bring the project down to the place where construction can actually be started if Congress so provides at some future date. The present item now under consideration is \$205,000 for the final planning on this project. It does not bind the Congress to go ahead with the construction. The Senate has passed this item and has refused to agree with the House conferees, who have not approved the item since it was not included in the House bill. I sincerely hope that the House will approve these funds.

I would like to say something about the defense value of this project. On May 11 of 1962, the gentleman from Georgia, Chairman CARL VINSON, of the Armed Services Committee, wrote the gentleman from Missouri, Chairman CLARENCE CANNON, of the Appropriations Committee, as follows:

I am very hopeful that during this Congress your committee will see fit to appropriate sufficient funds to make a forward step in the construction of the Cross Florida Barge Canal which is to be a section of the Intracoastal Waterway.

I am very much interested in this project because of its very important national defense aspects.

Chairman VINSON quoted the findings of the Board of Engineers for Rivers and Harbors, August 30, 1946, in part, as follows:

The Chief of Engineers has stated in his opinion (hearing before the House Appropriations Subcommittee, Jan. 9, 1946) that the authorized canal will represent, in addition to its economic worth, a value in national security considerably greater than its cost.

On May 29, 1951, the Deputy Secretary of Defense in a letter to the President stated as follows:

The Corps of Engineers expressed the views that "a barge canal will afford a short, economical, protected route across Florida for the movement of a large amount of long-haul traffic by barge and small freighters between gulf and Atlantic ports. Large tonnages of raw materials as well as manufactured products are susceptible to movement between those points via protected inland waters at great saving. Completion of the canal would also permit quick, safe, and economical transfer between the east and west coasts of Florida, of floating plant and construction equipment now required to move via the circuitous and dangerous Florida Keys route.

During World War II, many cargo ships and tankers were lost off the coast of Florida due to enemy action. Many of the cargoes that were lost would and could have moved by barge or small freighter had the barge canal been in existence at that time. The saving in lives, ships, and valuable and critical cargoes would have been great. Similar and comparable savings would also accrue in future serious national emergencies if the canal is in operation.

The Joint Chiefs of Staff find that either of these projects (i.e., the previously considered ship canal or the authorized barge canal) will provide an additional and shorter line of communication between the gulf coast and the east coast and would thus reduce exposure of shipping to submarine attack.

In the mentioned report of the Board of Engineers for Rivers and Harbors they said to the Chief of Army Engineers:

The economic analysis of a long-lived project could not be considered complete if it covered merely the interval of peacetime years and ignored the recurrent war periods. The insurance value of the avoidance of war losses is, therefore, distributable on an annual basis and can be at least roughly approximated in dollars and cents for measurement against the monetary annual charges of providing and maintaining the facilities.

The Board then goes on to compute the annual value of this wartime insurance afforded by the project as \$3,600,000 based on price and replacement cost levels of 1946. In terms of today's price levels, this figure is above \$10 million per year and more than doubles the total economic benefits currently reported by the Corps of Engineers in their interim report as to the peacetime economies to be yielded by the waterway.

The Office of Emergency Planning in the Executive Office of the President, in the fall of last year, reviewed a memorandum on the national defense value of the project prepared by H. H. Buckman, engineer, and said as follows about it:

We have reviewed the Buckman memorandum and appended papers and feel that its thesis is sound and its findings still essentially valid with respect to civil as well as military defense. The desirability of a shorter line of communications between the gulf and east coasts is recognized.

Engineer Buckman further points out the tremendous cost of lost shipping in World War II due to the necessity of using the gulf-Atlantic open sea lanes, and said:

Over 1 million gross tons or 25 percent of all the shipping in these lanes was lost. The value was \$987 million, and 167 ships went to the bottom.

From what I have pointed out to you the national defense value of this canal is outstanding and there should be no further delay in going forward with it.

The lone opposition to this canal has been from railroads, which have traditionally opposed canals all over the country. It should be pointed out, however, that the Florida East Coast Railway supports the canal and that many individuals in the railroad industry favor the canal. General Morris of the U.S. Army Engineers this year in the House hearings said with regard to railroad interests as follows:

In a short time the canal will assume its proper place in the overall transportation network. Developments along and adjacent to the canal will be accelerated, particularly by industries utilizing and processing raw materials. When this condition develops it can be anticipated that the volume of traffic transported by rail and truck will also expand due to their natural advantages in the transportation of certain classes of commodities. While this trend can be anticipated from the statistical studies made for the economic restudy of the canal, it has been clearly shown in the growth pattern of transportation in other sections of the country under similar conditions. It is believed that the provision of cheap water transportation for bulky commodities to this section of the Southeastern States will create such developments that loss of traffic to competing rail and truck transportation systems will not be of lasting importance and the resulting improvement of regional economic conditions will ultimately add materially to their traffic.

Before closing this talk, I would like to say a few things about arguments which have been raised against the canal: One is that when the canal reaches the Gulf of Mexico it reaches open waters and the route is no longer well protected until it reaches the next dug canal to the north in the shoreline of Florida some miles away. This question is answered completely by the fact that barges now safely use this partially protected area of the Apalachee Bay just as they now use partially protected routes in the Chesapeake Bay and in the Mississippi Sound. The question was answered point blank by the Chief of Engineers in his letter to the chairman of the Committee on Rivers and Harbors

of the House under date of June 15, 1942, as follows:

With reference to the use by Intracoastal Waterway traffic of the open gulf between the eastern terminus of the present Intracoastal Waterway in the vicinity of Apalachee Bay and the gulf terminus of the above-mentioned barge canal, it may be stated that coastwise traffic now follows this route and that while some danger is connected therewith, I am informed that there is very little time lost in navigating this portion of the gulf. Accordingly, it would be possible to eliminate that section of the Intracoastal Waterway from the improvements proposed in H.R. 6999 and still move very large quantities of commerce by barge from terminals along the gulf coast to the eastern seaboard with the completion of the other improvements proposed in the bill.

Another argument that is made against this canal is that there is an existing canal running across the State of Florida in its southern portions, the Okeechobee Waterway. This southern route is 356 miles longer and is more expensive to construct and maintain even though it does exist in a very limited degree at the present time. Further, its utilization is much more limited than utilization of the Cross-Florida Barge Canal would be, according to authentic and careful studies that have been made over a period of many years. On this point there is a letter from the Office of Chief of Engineers dated May 17, 1962, which went into this question and stated as follows:

The existing Okeechobee Waterway provides a channel 8 feet deep and 80 feet wide from the Intracoastal Waterway near St. Lucie Inlet to the Gulf of Mexico near Fort Myers Beach. This waterway includes three locks, 50 feet wide and 250 feet long. In 1958, preliminary cost estimates were made for enlarging the Okeechobee Waterway to the same design criteria established for the Cross-Florida Barge Canal project. Those estimates showed that the cost of enlarging the Okeechobee Waterway would exceed \$100 million. Traffic studies also showed that the volume of commerce that would use an enlarged Okeechobee Waterway, and the transportation savings therefrom, would be far from sufficient to justify the large cost of improvement of the existing waterway to the dimensions of the Cross-Florida Barge Canal.

Finally, it is said by the railroad lobby that the economic justification of the Cross-Florida Barge Canal is slight and that the benefits are primarily to Florida rather than to the Nation as a whole. As to the economic justification, I would like to point out that even on the most conservative figure presented by the Corps of Engineers, 1.2 over 1, this is an economic justification in excess of other projects which Congress has authorized, projects involving more money than this project, and we are spending money for such other developments right now in actual construction. As to the argument of the locality of the project, this is perhaps the most absurd argument which is raised against the Cross-Florida Barge Canal because it actually has more national significance than any waterway project ever undertaken by the U.S. Government. By a distortion of the facts and figures which were given to the committee an erroneous conclusion was drawn that on economic justification

most of the transit would be within the State of Florida but an accurate reading of the information given to the committee shows that although about 80 percent of the traffic would either start or stop in Florida, only 16 percent of it would be of the within-the-State variety even when most conservative analysis is used as to its interstate utilization.

This compares very favorably with other projects. Moreover, it should finally be observed that this project was not authorized by Congress on the basis of economic justification, but was authorized on the basis of its defense value and that the defense value is certainly the paramount value of this project. Even if all of the economic justification of this project were thrown out the window, the project still should be built because of its defense values of which I have already spoken. I sincerely hope that the Congress will provide for the \$205,000 budgeted Senate-passed appropriations for completing the final planning for this project.

Mr. HERLONG. Mr. Speaker, the late Thomas Wolfe wrote a book entitled "You Can't Go Home Again." I am beginning to know how he must have felt, but of course not for the same reason.

I have had the privilege of being a Member of Congress now for 14 years. This is the first time I have ever taken the floor to ask you for an appropriation—an appropriation that is not just for me but is for you as well. Let me please impose on you for a minute to point out several things.

This project, the Florida Cross-State Barge Canal, is authorized. The request for funds for completing the planning was in the budget. It does not seem like sound economy to me to spend all of the money we have spent in studying and planning for this project and then stop just before we complete the plans.

This project has a favorable benefit-to-cost ratio—more favorable, I am told, than many projects which are actually under construction. None of the data used to develop the benefit-cost ratio on this project takes into consideration the military significance of the project. With the new Soviet naval base being constructed in the Havana Harbor, it is a sure thing that shipping that has to go around the Florida Keys will literally be sitting ducks.

The argument that has been made that once the project is completed barges will be in open water for a few miles on the west coast of Florida until they get back into the protected intercoastal waterway at St. Marks is not a valid objection. Barges use this route now; it is less hazardous than the present intercoastal routes that take barges down the Chesapeake Bay and across the Mississippi Sound. I have been over nearly every foot of the Gulf of Mexico on the route which the barges will have to take, the water is very shallow and rough water is dissipated by breakers before it reaches the route the barges will use.

I earnestly plead with you to at least, please, let us complete the planning on this project.

To paraphrase Thomas Wolfe, I may be able to go home again, although I do not know how welcome I will be; but whether I will come back here again may be another question.

Bear in mind, please, that what we are asking for is for you just as much as it is for us. It is, as I said, false economy to at least not finish the planning at this time and this planning will be completed with this appropriation.

Mr. MATTHEWS. Mr. Speaker, I plead with the House to approve the Senate amendment of the conference report which would grant us \$205,000 for advance planning and design on the Cross-Florida Barge Canal. I feel that simple justice would be served if we were granted the \$205,000. Let me emphasize that this amount was in the President's budget and that this project has gone through the tortuous procedure of authorization by the Public Works Committee, a Corps of Engineers evaluation, the approval by the Corps of Engineers, and the approval of President Kennedy.

I viewed with amazement the reasoning which the House Appropriations Committee used in disallowing this project, as contained on pages 38 and 39 of House Report No. 2223, dated August 14, 1962, and which accompanied H.R. 12900.

It should be noted that the committee quoted an opponent of the project in downgrading the economic justification; whereas in my opinion it would have been a more complete picture if, in addition to the testimony of the opponent they could have brought out that an independent firm gave the Cross-Florida Barge Canal a benefit-cost ratio of 4.6 to 1 for a project life of 50 years.

The House committee referred to the estimated total cost of this project as being \$145,300,000 in 1962 as compared to only \$44 million when it was authorized in 1942. Of course, if the project had been built when it was authorized, a savings of more than \$100 million would have been effected, and the project would long since have paid for itself.

Let me emphasize that an independent firm of Arthur D. Little Co. engaged by the Corps of Engineers gave the Cross-Florida Barge Canal project a benefit-cost ratio of 4.6 to 1. The Corps of Engineers in their evaluation reduced the average annual tonnage and benefit estimates of the Little Co. by approximately 75 percent which appears to be unreasonably low to me, but this still provided a favorable benefit-cost ratio of 1.2 to 1. The House committee noted in its August report that a group opposed to the project contends that the benefit-cost ratio is only 0.13 to 1 and apparently gave this estimate the same weight as those made by the Little Co. and the Corps of Engineers which were based upon many years of experience and knowledge.

The main difference between the benefit-cost ratios suggested by the Little Co. and those of the Corps of Engineers is based upon the vast difference in the estimated freight tonnage between the two. The Little Co. estimates annual tonnage during the first 50 years of the project's life of 10,727,000 while the

Corps of Engineers estimate is only 2,500,000. As previously stated, the Corps of Engineers estimate appears to be unreasonably low to me.

In the August 1962 issue of the Mississippi Valley Association's Newsletter, I read:

A new record in barge traffic was established in 1961 on the Gulf Intracoastal Waterway, Colonel Jennings said. He noted that a total of 58,866,964 tons of commerce passed over this major inland transportation artery which runs from Apalachicola Bay, Fla., to the Mexican border. This is a 3,918,305-ton increase over 1960 traffic.

The Gulf Intracoastal Waterway, which will feed the Cross-Florida Barge Canal, is already carrying nearly 59 million tons of commerce and is experiencing a single-year increase of almost 4 million tons in 1961. It appears inconceivable to me that the Cross-Florida Barge Canal will carry only 2½ million tons annually as estimated by the Corps of Army Engineers. The 10,727,000 tons estimated by the Little Co. appears to be a much more realistic appraisal of the situation, including their benefit-cost ratio of 4.6 to 1. The Gulf Intracoastal Canal currently shows a benefit-cost ratio of approximately 15 to 1.

The report of the House committee August 14 noted that—

Testimony solicited by the committee during the course of the hearings indicates that 80 percent of the claimed total benefits in the movement of commodities on completion of this canal would revert to the State of Florida and that its national significance is limited to 20 percent of the benefits.

This erroneous conclusion was presumably based on a notation in the justification provided by the Corps of Engineers which the committee apparently misinterpreted. The Corps of Engineers statement says:

About 20 percent of the barge canal prospective traffic could be classified as through traffic in that it would move through the length of the barge canal generally to and from points beyond Florida. The balance would be termed local traffic, 80 percent of which would be classed as interstate commerce in that it would either originate in Florida and move to another State, or originate in another State and move to Florida.

I believe a correct interpretation of this statement is that 20 percent of the total traffic will move through the entire length of the canal and have no direct connection with Florida. Of the remaining total traffic, 20 percent would be intrastate in nature and 80 percent would be interstate traffic. In other words, only 16 percent of the total traffic will be within Florida and 84 percent of the total traffic will be interstate traffic. Saying that 80 percent of the total traffic will benefit only Florida is like saying that New Orleans will get 80 percent of the benefits from the Mississippi River gulf outlet project or that Louisiana and Texas receive 80 percent of the benefits of the Gulf Intracoastal Waterway. The people of the United States benefit from the proper development of this Nation's water resources and the Cross-Florida Barge Canal is no exception.

Additionally, the division engineer stated in his testimony before the House

committee that all the estimates of the Corps of Engineers on the Cross Florida Barge Canal are based on the limits of the project. In other words, the estimates of traffic do not contemplate construction of the Intracoastal Waterway from St. Marks to Tampa, which is now under study by the Corps of Engineers. If this project is feasible, and I believe it will be, then total traffic, particularly through traffic, on the Cross-Florida Barge Canal should greatly exceed the corps present estimates.

For years the Cross-Florida Barge Canal has been called the missing link in our transportation system. The Cross-Florida Barge Canal, together with the St. Marks to Tampa Canal, would tie the gulf intracoastal waterway system to the Atlantic intercoastal waterway system and would benefit the eastern two-thirds of our country, encompassing that area from Montana to New England and from the Canadian border to the Gulf of Mexico. Certainly, Florida would benefit by the construction of the Cross-Florida Barge Canal, but the major benefits would accrue to the citizens adjacent to all our inland waterways, including in the Mississippi Valley, and it is for this reason that the Mississippi Valley Association has long been in the forefront of the proponents of the project.

It is an old axiom of the inland waterways that it costs as much to load and unload a bulk commodity from a barge as it does to transport the barge 600 miles. Since the economics of barge transportation are predicated on relatively long hauls, it seems apparent that construction of the Cross-Florida Barge Canal would have little, if any, adverse effect upon the economics of the existing Intracoastal Waterways on both coasts of Florida, as the House committee contended.

The report of the House committee dated August 14, concluded with the statement:

Since the authorization of this project was 20 years ago and its feasibility and economics are in the committee's opinion questionable, it seems only appropriate that the legislative committees and Congress should reaffirm its authorization before it is again presented to the Appropriations Committee for funding.

In my opinion of the Mississippi Valley Association, and I may add in my opinion, this was a good project when it was authorized 20 years ago, and its feasibility and economics are even better now than they were at the time of the original authorization.

In fact, the project has five times the economic justification now than it had when it was first authorized. I believe this project is important to the welfare of the United States and that it should be built without further delay.

I know comparisons are sometimes odious and unfair, but I must say that even though the modest appropriation of the \$205,000 in the President's budget for the Cross-Florida Barge Canal was denied, largely on the basis of the low benefit-cost ratio, the House Committee on Appropriations approved at least two-thirds of the benefit-cost ratio of the Cross-Florida Barge Canal.

In two instances, projects had a benefit-cost ratio of only 1.1 to 1, which is less than the benefit-cost ratio of the Cross Florida Barge Canal.

Finally, Mr. Speaker, in pleading for the \$205,000 for advance planning and design on the Cross-Florida Barge Canal, may I emphasize two facts: First of all, this item was in the President's budget. It is my information that only one other item that was in the President's budget for planning for similar projects was deleted. In the second place, let me emphasize that we have an economic justification for the Cross-Florida Barge Canal. When the project was first authorized over 20 years ago, it was on the basis of its military value. Since that time, the benefit-cost ratio has multiplied five times. In other words, 20 years ago there was not an economic justification for the project, but only a military justification. Now we have a favorable economic justification, and in addition, who could deny that if in 1942 the canal were needed for defense when the enemy was thousands of miles away, that the need is less today when the strident voices of communism—our unalterable foe—can be heard just a few miles from the mainland of our Republic. Surely with the loss of 165 ships in World War II in the Gulf-Atlantic Coast-wise lanes, we can see the tremendous need for internally available supplies, internally produced and internally transported, based on the existence of the Cross-Florida Barge Canal.

I therefore plead again that the House grant us the \$205,000 for advance planning and design on the Cross-Florida Barge Canal an item that was included in the President's budget.

Mr. NORBLAD. Mr. Speaker, may I very briefly say that two of these projects which are in my congressional district in Oregon and which are included in this amendment are excellent projects.

With particular reference to Yaquina, I have been very definitely told by the Army Engineers that they could and should have the \$200,000 to start construction.

With reference to the Columbia River project, this appropriation goes hand in hand with yesterday's action authorizing deepening of the channel from Portland to the sea at a cost of \$21 million. The \$100,000 here requested is simply to make the necessary surveys preparatory to that dredging work.

Mr. SIKES. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on the motion offered by the gentleman from Florida [Mr. SIKES].

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 4: On page 6, line 10, insert: "Provided, That funds herein appropriated for planning on Cache River, Arkansas, shall be used to the extent necessary to study the effect of the project on agricultural lands along the lower Cache River and along the White River downstream from the confluence to determine whether additional protection should be provided for

these lands in connection with the Cache River project and for preparation and submission of a report thereon to the Appropriation Committees."

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 4 and concur therein.

Mr. CANNON. Mr. Speaker, objection has been made to sending to conference a supplementary appropriation bill carrying more than one-half billion dollars in needless appropriations. If there is any question as to its need, the chairman of the subcommittee which reported the bill advises that there is nothing in the bill of immediate emergency. Such items as may in the future require consideration can very well go over to the next Congress.

Mr. Speaker, as Thomas Jefferson said in that immortal document: "A just consideration for the opinion of mankind requires that we give reason for our action."

So, I give you here today the reason why this action is taken.

Mr. Speaker, the gentleman from New York [Mr. TABER], one of the great men of the House of Representatives, is leaving his congressional service with the end of this session. If I had my way I would keep him here because I think he is needed. But he has more than earned the right to a vacation. He is entitled to the last and best years of his life for himself, for his family, his friends, and his books, and in order to catch up with his long neglected fishing.

At a dinner tendered him as a tribute to his distinguished service and as a token of the warm affection in which he is universally held, statistics were quoted of the national situation at the beginning and close of his service, as follows:

The year Mr. TABER came here the total annual public expenditure was \$3 billion. The first year that he was here Congress spent \$3 billion. We are spending this year \$115 billion, the largest amount ever spent in a peacetime year in the history of the American Congress.

Gentlemen, when you go home you can attract special attention by saying, "I have just come from a \$100 billion Congress." You are the first man ever to come back to your congressional district from a \$100 billion Congress in all its history.

When Mr. TABER came here the number of employees of the Federal Government, was 536,000. Today it is 2,514,000.

When he came here the public debt was \$22 billion. Today it is \$302 billion. It is now past the high water mark. It is the largest debt in the history of the United States. It is the largest debt ever owed by any nation in any country in the history of the world. And we are still busily adding to it as fast as we can.

That is why the purchasing power of the dollar is down to less than half. That is why the cost of living for every family of the United States is up. That is why our gold is dwindling at Fort

Knox. We are spending at the rate of \$115 billion a year.

We are still taxing the people at war-time rates. In the past we have repealed war taxes levied to keep the troops in the field as soon as peace was declared. But not this time. We are today levying every tax dollar we can draw out of the American people. We are still exacting the same taxes we levied to keep our armies fighting in Europe. And with all that extra revenue we are spending more than we take in.

An instance is the item we just passed. Although congressional expenditures are already larger than ever before we have just added a program which will cost a fabulous sum before it is completed for a project rejected by every authority we consulted.

This must be added to the public debt already of recordbreaking proportions. From your vote it is evident that all you gentlemen favor increasing the public debt. When you go home tell your people you voted today to increase the public debt; that you believe the public debt is too small, that you believe we ought to owe more money; that you believe that the purchasing power of the dollar should be depreciated; that the American people are living too cheaply; that the cost of living ought to be higher, so you vote to raise it.

That is what you voted for just now.

The supplemental bill to which we are objecting will add more than half a billion dollars to the national debt. I know you high-cost-of-living gentlemen will be disappointed that you will not have an opportunity to add it to the bill you have just voted through. The name of every Congressman who voted for it is right here in this yea-and-nay vote. Why not send it back home to be posted in every voting poll in your district?

The chairman of the committee who wrote the bill objected to it and the chairman of the committee who reported it says it is not necessary. He says it will in no way discommode the Government if you fail to pass it this year. So we are adhering to the refusal to permit it to go to conference. We are adhering to the refusal to permit you to add to the taxes of your already overburdened taxpayers.

Surely, gentlemen, we ought to be satisfied with a debt of \$302 billion. Why insist on owing more money? Why add to it? That is what you voted to do just now. And will you tell us what your people and your district gets out of it. Nothing but more taxes.

There is many a taxpayer out on a small farm, a small businessman in the local town, a workman here who has a hard time paying even a few dollars of taxes. But when the Internal Revenue men bring it to Washington we spend it all; we spend it as you have spent it today. We send it down to Florida. Florida received everything, every project she asked except this one item. She received more proportionately than most any State in the Union. She received 10 projects. This was a particularly bad item. All the reports we got on it showed it was a bad item. But it is fine for the

promoters. In one case down there they bought land for 5 cents an acre and got the Government to build some public works and sold it for \$5,000 an acre.

Florida could not get this item in the bill when we wrote the bill in the subcommittee. They could not get it in the bill when it was reported by the subcommittee to the full committee. They could not get it in the bill when the full committee reported it to the House. They could not get it in the bill when the House conferees took it up with the Senate conferees. So they come in here today and buttonhole every man on the floor. "What is the U.S. Treasury between friends?"

Remember these boys are asking for something for themselves. The committee has no personal interest. The only thing the committee has to gain by this is ill will and unpopularity for being a "wet blanket." But surely somebody has to protect the taxpayer's money. The committee does not seem to have any friends here today. The taxpayers do not seem to have any friends here today. Everybody is the friend of these ingratiating gentlemen from Florida.

A woman wrote me yesterday that she took a dozen eggs to market and got 24 cents for them, and it was not enough to pay for postage stamps to write to each of her children. Yet you raised postage the other day. "Oh, the people are not paying enough. Sure, vote to make them pay more postage and more taxes."

Mr. Speaker, who is leading this raid upon the public Treasury today? The gentlemen from Florida—fine fellows, of course—I love every one of them. The great Sunshine State of Florida is taking population from every State of the Union. New York up here lost a Congressman. They put him down in Florida. And they have tax laws down there that pull New York money down there too. They are attracting population from all over. The reason they readjusted your districts this year is that Florida is such an enticing State. Yet they are so poverty stricken that they must come up to Washington and run over the Committee on Appropriations which has no interest whatever except to discharge the duties and serve the purpose for which they were appointed.

They are as redoubtable a gang of pirates as ever sailed the Spanish Main, and my State and your State are paying the bill in onerous taxes. Millions of dollars were plundered by Captain Kidd and John Silver, but the amount of money Kidd and Silver took pales into insignificance compared to the money these highwaymen have taken from the U.S. Treasury here this morning. You cannot give them enough. No matter how much you give them, they want more. They come in here and after being denied by an impartial committee and try their case here on the floor. Nobody except Florida insisted on trying their case on the floor. Why have a committee if you are going to support these rebels against legitimate authority like other Caribbean freebooters in Central and South American principalities?

Today, gentlemen, you have voted to increase the annual expenditures of the

Nation although the Government is already spending the largest amount ever spent in one peacetime year in the history of any nation on earth.

You have today added to the number of Government employees when they are falling over each other in every department. Competent men tell us that if they only had one-third the number of employees in the Pentagon, they could do better work. That is true of every department of the Government. You have today voted to increase the national debt already so large that it staggers the imagination. I was in Germany after the war. At one time the German mark was an unassailable standard of value throughout Europe. Then Germany followed this primrose path until eventually the depositor had to carry his money to the bank in a basket. When they got to the bank, the bank did not count the money. It just distributed the bills by denomination and weighed it.

In 1936 when a housewife took a dollar downtown to the grocery store, she got \$1.07 worth of groceries for that dollar. Nations all over the world were scrambling for that dollar. They wanted hard cash. But now they are not so keen about it. Today it is only worth 44 cents.

Many a man who must earn his living by the sweat of his brow is having a hard time buying school shoes for his children. He is having a hard time filling the plates on the breakfast table. But when we send the tax collector around, he has to ante up. Here today you are telling that man to let his children wear their shoes a little longer after they are already worn out. You are telling the parents of some of those children to send them to school without an egg for breakfast or without a slice of bacon so that they will have enough to pay the taxes you voted on them this morning for the Golden Sunshine State of prosperous Florida.

I thank you, Mr. Speaker.

The SPEAKER pro tempore. Without objection the motion is agreed to.

There was no objection.

The SPEAKER pro tempore. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 13: Page 19, line 5, insert: "After September 30, 1962, the position of Commissioner of Reclamation shall have the annual rate of compensation as provided for positions listed in section 2205(a) of title 5, United States Code, so long as held by the present incumbent."

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate No. 13 and concur therein.

Mr. TABER. Mr. Speaker, will the gentleman yield?

Mr. CANNON. I yield to the gentleman from New York.

Mr. TABER. Mr. Speaker, amendment No. 13 was inserted by the conferees after having been passed in the Senate version of the bill. In part it represents a policy that I cannot go along with. It provides for increase of salary for the Commissioner of Reclamation

from \$19,000 to \$20,000 a year. I am opposed to the inclusion in appropriation bills of increases in salary. I think that ought to be taken care of by the appropriate legislative committee.

If we do not stop this idea of these civil servants running around to somebody who has an appropriation bill up, if we do not begin to stop that practice and stop the way we are doing business I can see no hope for the people of the United States. We heard what the chairman of the committee said in his statement as to the financial condition of the Government. That is the thing that worries me very much, and I do not believe we can continue long in the direction things are going at the present time. For my own part I am opposed to this motion and I hope it will be voted down.

Mr. CANNON. Mr. Speaker, I have no requests for time, and move the previous question.

The previous question was ordered.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Senate amendment No. 18: Page 29, line 7, strike out "1962" and insert "1963".

Mr. CANNON. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. CANNON moves that the House recede from its disagreement to the amendment of the Senate numbered 18 and concur therein.

Mr. CANNON. Mr. Speaker, the summer has waxed and waned; the birds have nested and flown; the leaves are falling in the autumn breeze, but Congress still stays on.

We should have been home long ago. There are more new districts in the United States this year than in any previous election. In some districts the change has been comparatively small. They have added one county or they have taken away one county. But there are more districts this time in the United States in which there is readjustment, in which there are new constituents, than in any previous election.

We should have had an opportunity to go home. These constituents want to see their new Congressman, they want to hear him; and I am certain the new Congressman wants to see his new constituents. But we have been kept here longer than at any time before, except in time of war. Do not ask me why. I do not know.

Someone is ready to comment that the last bill here this morning is an appropriation bill. It must be the Appropriations Committee. Why did you not hurry up?

I remind you that early in the session we reminded the leadership that we would not process appropriation bills until we had authorization. Happily, under the American Constitution, you cannot appropriate a dollar that is not authorized by law. The legislative committees hold the whip hand. The delay on the pending bill is due to the fact that we did not have authorizations. That has been true of most of our bills. We have been here from January to October,

but the last authorization bill came in last night.

Before the change in the Constitution, we went home every other year on the 4th of March. Every bill had been passed, everything was done that needed to be done. There was never a year in which we failed to complete the legislative program in ample time to adjourn by March 4. Why did we not go home in March of this year, or at least in July, according to law? I am convinced, we would not have had votes like we had here this morning if we had been back home, rubbing shoulders with our constituents, if we had had an opportunity to see the hard conditions under which they live.

Back here in Washington we are in these lovely air-conditioned offices. We do not have to be bothered by constituents running in on us. But legislation suffers.

Congress ought to go home. Congressmen ought to stay in touch with the people and find out what they need, what they are talking about, what their sentiments are. If Members had kept in touch with the voters we would not have had the vote we had here just now. And, Mr. Speaker, we have not had any such outstanding generalship in the House this session.

We had a little controversy with the Senate some time ago in changing the obsolete, antiquated machinery in order to discourage the habit of the Senate of adding unwarranted sums to House appropriation bills.

The other body sought to take away a prerogative lodged in the House by the Founding Fathers who wisely provided that the strongest hold on the purse-strings of the Nation—should be in the hands of the House of Representatives because it is closest to the people, and has to come before the people every 2 years.

It has been the prerogative of the House since 1789. In that battle we did not have the support of the leadership. Daily we were importuned by the Speaker to yield to the Senate, to surrender the prerogatives of the House, to agree on any terms.

The Committee on Appropriations, under heavy criticism, maintained its position but it was in spite of the leadership of the House when it should have been supporting us.

The leadership is supposed under ordinary circumstances to collaborate with the committees. After a committee has studied a bill, held hearings, processed a bill, and has spent months bringing in a report—other things being equal—the committees are entitled to the support of the leadership of the House. Last night my good friend HALE BOGGS, after vigorously campaigning for Florida, brushed the Parliamentarian aside. He stood there like an avenging angel. I have never seen anything like it before. You could not get to the Speaker even if he had been willing to see you. My good friend from Oklahoma, CARL ALBERT, assiduously opposed every effort for economy by the committee in trying

to maintain the bill it had unanimously reported.

The other day there was an insulting speech made in the Senate in which they charged Members of the House with moral obloquy and delinquencies because they used their frank as every Congressman from Washington's administration has done.

When the A's in the alphabet were called Mr. ALBERT voted against the committee, the unanimous report of the committee, and then at the last minute, after he had given the signal to the House, and everybody had voted, he changed his vote so that it would look a little better.

The majority leader of the House came to me last night, after the rollcall started and said, "If you will agree to let this half billion dollar bill go through"—the one they said we did not need—"we will turn and support you and give you this motion."

In other words, gentlemen, justice is for sale. No thought of principle. No thought of the obligation of office. It is a question of the highest bidder.

At the end of these long months, the longest peacetime session Congress has had—and with no visible reason—I honor the high office they hold but I cannot endorse the quality of leadership.

I have sat under 10 Speakers—but I have never seen such biased and inept leadership.

Mr. Speaker, I submit for the RECORD a summary tabulation on the bill and the usual list of additional surveys and studies agreed to in conference:

Public Works Appropriation Act, 1963

Item	Budget estimates	Passed House	Passed Senate	Conference action	Conference action compared with—		
					Budget estimate	House	Senate
Total, title I, civil functions, Department of the Army...	\$1,061,737,000	\$1,042,729,900	\$1,096,415,800	\$1,077,526,800	+\$15,789,800	+\$34,796,900	-\$18,889,000
Total, title II, Department of the Interior.....	406,646,000	385,824,000	399,134,600	394,203,600	-12,442,400	+8,379,600	-4,931,000
Total, title III, independent offices.....	3,283,368,000	3,185,254,000	3,215,721,000	3,197,404,000	-85,964,000	+12,150,000	-18,317,000
Total, title IV, public works acceleration.....	900,000,000	(¹)	500,000,000	400,000,000	-500,000,000	+400,000,000	-100,000,000
Grand total, all titles.....	5,651,751,000	4,613,807,900	5,211,271,400	5,069,134,400	-582,616,600	+455,326,500	-142,137,000

¹ Not considered by House.

Corps of Engineers general investigations added in conference—Navigation studies

Alaska:	
Hoonah Harbor.....	\$10,000
Kake Harbor.....	10,000
California: Russian River, Jenner..	10,000
Florida:	
Carrabelle Harbor.....	6,000
Mulat Bayou via Red Fish to Escambia.....	10,000
Jupiter Inlet.....	10,000
Hawaii: Coast of Hawaiian Islands..	+20,000
Illinois: Big Muddy River and Beaucoup Creek.....	+10,000
Louisiana:	
Calcasieu River.....	5,000
St. Charles-Jefferson Parish Line Canal.....	3,000
Maine:	
Calf Island.....	6,000
Owls Head.....	5,000
Massachusetts: Nantucket Harbor..	10,000
Michigan: Les Cheneaux Channels.....	5,000
New York: Buffalo Harbor-Niagara River.....	10,000

Corps of Engineers general investigations added in conference—Navigation studies—Continued

Oklahoma:	
Arkansas and Red Rivers to Oklahoma City.....	+\$20,000
Arkansas River-Eufaula Reservoir.....	+18,000
Texas:	
Freeport Harbor.....	+5,000
Greens Bayou.....	18,000
Guadalupe and San Antonio River.....	17,500
Washington: Tacoma-Seattle Ship Channel.....	20,000
FLOOD CONTROL STUDIES	
Alaska:	
Clarks Point.....	10,000
Seward.....	10,000
Arkansas:	
Lee Creek, Ark. and Okla.....	20,000
Little Rock Levee (east end district).....	10,000
California:	
Isabella Reservoir.....	15,000
Jacks and Simmerly Sloughs....	10,000

Corps of Engineers general investigations added in conference—Navigation studies—Continued

Florida:	
Middle River-Canal 13.....	\$12,000
Econlockhatchee River.....	20,000
Georgia: Apalachicola, Chattahoochee and Flint Rivers, Columbus, Ga.....	25,000
Indiana: White River.....	+10,000
Iowa: West Fork, Little Sioux River.....	20,000
Louisiana:	
Mooringsport-Caddo Lake Dam..	10,000
Tangipahoa River.....	5,000
Maine: St. Johns River.....	15,000
Michigan: St. Joseph River.....	5,000
Minnesota:	
Bassett Creek.....	10,000
Root River.....	10,000
Mississippi: Pearl River.....	25,000
Missouri: Excelsior Spring, Fishing River.....	15,000
Montana:	
Beaver Creek.....	10,000
Missouri River, between Garrison and Fort Peck Dams, N. Dak. and Mont.....	5,000

Corps of Engineers general investigations added in conference—Navigation studies—Continued

Nebraska: Big Blue River.....	\$15,000
New Mexico:	
Pecos River, Las Vegas.....	15,000
Santa Fe River, Santa Fe.....	15,000
North Dakota: Missouri River, N. Dak., S. Dak., and Nebr.....	60,000
Ohio: Moxhala and Jonathan Creeks.....	10,000
Oklahoma:	
Arkansas River, Wybark and Choska.....	20,000
Red River and tributaries (Sherwood Reservoir).....	20,000
Tennessee: Tennessee River, Chickamauga.....	20,000
Texas: Highland Bayou and Hitchcock.....	20,000
Utah: Mill and Pack Creeks, Moab.....	15,000
West Virginia: West Fork River, Stonewall Jackson Reservoir.....	20,000

(Mr. LANE asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. LANE. Mr. Speaker, I wholeheartedly supported the Public Works Acceleration Act which was approved by the President last month, and I wish to record my support of the pending appropriation which will provide the funds for putting that act into effect.

This legislation will make it possible to hasten the construction both of Federal public works and of locally built, but federally aided, community facilities in areas which are suffering from a high level of unemployment.

The immediate purpose of the legislation is to relieve unemployment by creating additional jobs, but this by no means exhausts the benefits which the legislation will provide. The additional construction will contribute to the economic well-being of the localities as a whole since more jobs mean increased purchasing power and increased economic activity within the locality as a whole. Moreover, the facilities which will be constructed under the legislation will in each instance be useful and necessary capital improvements which will serve the local communities for many years to come.

In the Fifth Congressional District of Massachusetts—in the towns of Dracut, Lawrence, Lowell, and other localities—there have previously been planned with Federal aid several sewer and water projects, park reconstruction work, and sidewalk improvements, the estimated total cost of which will be about \$2 million. These projects are eligible for Federal grants under the new accelerated public works program.

Perhaps some of them will not in fact be aided under that program, but then again other local projects have planned or will be forthcoming which will also be eligible for grants under the new law.

There are seven projects in the fifth district of Massachusetts which have been completely planned under the federally aided public works planning program and which would be eligible for grants under the new accelerated public works program. These include two in Lowell, a fire alarm building estimated to cost \$72,100 and sidewalks estimated to cost \$107,500; four in Dracut, three of them sewer projects estimated to cost

\$387,000, \$488,000 and \$279,000, and a water project estimated to cost \$432,000; and, in Lawrence, park reconstruction work estimated to cost \$185,740.

These are certainly not the only projects in the fifth district for which plans have been completed but which have not been scheduled for construction. Neither is it certain that all of these projects will be aided under the accelerated public works program. However, these are examples of the kind of projects in the district which can be aided under that program.

The construction of projects of this type will not solve all the economic problems of my district but will certainly be extremely helpful in reducing those problems. Furthermore, the Public Works Acceleration Act is desirable legislation from the viewpoint of the Nation as a whole. The money which will be spent—in providing employment and useful public works in areas of unemployment—will also contribute to the economic well-being of the entire Nation because the persistence of centers of unemployment in many American communities is a drag on the national economy as a whole.

Mr. GRAY. Mr. Speaker, as a member of the House Committee on Public Works I am vitally interested in every item contained in the appropriations bill conference report on civil functions now before us and if time would permit I would mention several items in detail. However, it is vitally important that I discuss with Members of the House and you, Mr. Speaker, the \$400 million item contained in the bill to implement the President's program of accelerated public works throughout the country. Although the \$400 million allowed in the bill will be adequate to get the program moving until next year, I am very much disturbed about certain language slipped into the report accompanying this money bill. Mr. Speaker, I refer specifically to language in the report placing an arbitrary ceiling of \$400,000 on any one all-Federal project. Mr. Speaker, as a member of the legislative committee that had the privilege of helping draft this new law, I resent this language very much. It is a sorry state of legislative affairs when a duly constituted committee passes out a piece of legislation having it fully debated on the floor by all Members wanting to do so, then having Congress pass the legislation with the President's signature making it a law, and then have one or possibly a very few Members of the House and Senate write in language in a report tending to completely nullify the basic law. I am sure the distinguished gentleman from Missouri [Mr. CANNON] will agree that this is legislating by a small minority and ignoring the recorded wishes of the majority.

The distinguished chairman of the Appropriations Committee has, on the floor today, criticized certain Members for offering an amendment to the conference report and, in fact, characterized these Members as "pirates." Yet, he has allowed some of his staff to write language into a report that does not at all

correspond to the law or the intent of Congress. Mr. Speaker, southern Illinois and other areas of the country that are suffering from chronic unemployment are looking forward to jobs instead of relief handouts from this bill. Placing a \$400,000 limitation will severely cut down on the amount of jobs that could be provided. Congress does not want the limitation, and has so voted; the President does not want the limitation I have been advised, and certainly the agencies and departments of Government charged with the responsibility of administering the program does not want the limitation. Therefore, Mr. Speaker, I am joined with a large number of Members who have given me permission to speak for them in urging that the language in the report be ignored. No one wants to take away the prerogatives of the important Committee on Appropriations but as we respect their prerogatives we of the legislative committee do expect the same consideration from them.

Mr. Speaker, another section of the report added in conference by the other body and concurred in by the House concerns language to the effect that if any community could raise their 50 percent through any existing agency or by selling bonds or negotiating a loan they would not be eligible to receive assistance under this act. Mr. Speaker, this too is an attempt to completely rewrite the basic legislation by committee report. Many communities may be able to raise funds by having a referendum and increasing local taxes but because of the difficulties involved have not done so in the past and will not do so in the future.

The results being that unemployed persons in those communities will remain on relief rolls and yes, Mr. Speaker, will be subsidized in great part by the Federal Government. The purpose of the act is to give a local community the needed incentive through matching grants to start a project immediately in order to provide jobs and make available a needed public works project in that community. Mr. Speaker, again I strongly urge all parties to ignore this language in the report because it does not speak for a majority of this Congress and is completely contrary to the basic legislation.

Mr. Speaker, as I mentioned earlier many of my colleagues on the Public Works Committee wanted to speak on this matter, however, due to our efforts to adjourn today they have asked me to speak for them. Many of my colleagues who are not on the Committee on Public Works have asked me certain questions about the legislation. For the record and to attempt to explain to the other Members this situation I am going to prepose certain questions asked of me by colleagues and then give an answer.

Question: I understand that several of the Members have found it somewhat difficult to grasp the full intent of the language in the Senate committee report concerning local sharing of costs in the public works acceleration program. I certainly hope that that language would not require an applicant commu-

nity to exhaust all its financing capacity on a single project and then become incapable of financing part of any additional project under the program. Is there any ground for concern on this point?

Answer: No. The Federal agency under the statute—and I am sure that the committee report is not intended to negate the statute—is required to consider the aggregate increased employment made possible when Federal grants to some local projects enable the community to add other projects of equivalent size to the local capital improvement budget for the particular fiscal year. In fact, I believe the committee report itself talks of the capacity of the community to finance its—and I quote—"community facilities," rather than requiring the Federal agency to wear blinders while looking at a single project at a time.

Question: I call your attention to the statement in the conference report which adopts by reference the language of the Senate committee report concerning local cost sharing in the case of Federal grants under the Public Works Acceleration Act. Could you give me some idea of the kinds of requirements for cost sharing which the downtown agencies might impose to carry out the intent of this language?

Answer: That is a rather difficult question to answer because on the one hand we are dealing solely with distressed communities which find it difficult to contribute local funds, and yet it is important that the Federal dollar be stretched as far as is practical in order to obtain additional local public works which result in increased employment.

I should think that if the responsible agencies adopt several precautions, they will meet the intent of the language without wrecking the program in time-consuming redtape. There are several precautions which would be sufficient.

First, I would expect the agencies not to permit a locality to receive a grant where it has already applied for a loan for which it is eligible under an existing Federal loan program.

Second, non-revenue-producing projects should receive 50-percent grants, or higher grants in the special cases provided for by the law, if they meet the requirements with respect to essential public need, initiation or acceleration within a reasonably short time, significant increase in local employment, and so forth.

Third, in the case of revenue-producing projects, the 50-percent grant should be given in all cases where the particular project has been added to the local capital improvement program for the fiscal year, or another project involving equivalent local expenditures has been added to such capital improvement budget for the year.

Question: Is my understanding correct that it would be a truly exceptional case for any eligible local public works project under the Public Works Acceleration Act to receive more than a 50-percent Federal grant or less than a 50-percent Federal grant?

Answer: Yes. For a community to receive more than a 50-percent Federal grant, it must meet strict standards with

respect to the fiscal and economic capacity of the locality. On the other hand, the act is based on the fact that eligible distressed areas cannot readily increase their capital improvement budget for any given fiscal year without a substantial measure of help.

Therefore the act provides at least a 50-percent grant for projects of a community which accelerate its aggregate local public works.

Question: I would like to ask what Federal contribution a community can expect under the act for an eligible project where the community makes no claim to the special 75 percent of cost based on its unusually bad economic and financial capacity. Can the community expect the 50 percent authorized in the law or do we have to have all of this reinvestigation of a distressed community's finances and bonded indebtedness and revenues and all the administrative redtape that goes with it in order to determine whether it gets 39 percent, 41 percent, or some other amount that some official finds in his crystal ball?

Answer: The community is entitled to 50 percent of cost. There has never been any intention in any language in the legislation or in any of the reports or other legislative history which would require any sort of further investigation and paring down of the 50-percent authorization.

Mr. Speaker, from the above questions and answers it is clear that the whole purpose of the measure is to spur activity in distressed areas. To add a batch of redtape will completely destroy the program, will not give the added incentive to proceed immediately with improvements and above all will deny jobs to hungry people. Therefore, in closing let me urge every agency and department to proceed to administer this program as required under the law. If the agencies and departments limit all Federal projects to \$400,000 and impose severe restrictions on non-Federal projects they are very clearly not carrying out the intent of Congress and the majority of Members thereof. I speak today for dozens of colleagues and urge that the appropriations committee members continue to work with the legislation committee as they have in the past but not do what they have done here. But doing this we will stop the millions in handouts we are giving to the States in welfare programs and instead provide much needed employment and a better America, because after all, Mr. Speaker, a chain is no stronger than its weakest link and unless we can eradicate the areas of high unemployment we will not have a healthy economy in America. I strongly urge all concerned to help move this program forward immediately with the \$400 million provided and under provisions laid down by the law passed by Congress and not what is contained in a committee report.

[Mr. MORGAN addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. FLOOD addressed the House. His remarks will appear hereafter in the Appendix.]

[Mr. BLATNIK addressed the House. His remarks will appear hereafter in the Appendix.]

The SPEAKER. The question is on the motion.

The motion was agreed to.

A motion to reconsider the votes by which action was taken on the several motions was laid on the table.

GENERAL LEAVE TO EXTEND

Mr. CANNON. Mr. Speaker, I ask unanimous consent that all who have spoken have 5 legislative days in which to revise and extend their remarks.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

SUMMARY OF APPROPRIATIONS FOR THE YEAR

Mr. CANNON. Mr. Speaker, under leave previously granted I shall insert at this point in the RECORD the usual customary summary by the Committee on Appropriations, reviewing the appropriations program of the year.

APPROPRIATIONS AND BUDGET RÉSUMÉ, 2D SESSION, 87TH CONGRESS

Mr. Speaker, following the customary practice, for the information of Members and the country I am summarizing the appropriation record of the session and including sundry tabulations and data on the appropriations work of the 2d session of the 87th Congress with statements summarizing the fiscal condition of the Government.

A tabulation of the identified back-door appropriation provisions in legislative bills of the session outside traditional appropriation channels is also included.

Comprehensive executive summary of all actions affecting the budget and the Treasury will not be available until a few weeks hence when they issue the usual budget review. That will include:

First. Effect of congressional action, or inaction, on new revenue recommendations in the budget.

Second. Effect of congressional action on new legislation having final impact.

Third. Revised estimates of revenue collections in light of current conditions.

Fourth. Revised estimates of expenditures from all sources—approximately one-third of annual budget disbursements are from prior years appropriations, and some from permanent appropriations, and therefore not directly affected by congressional actions on the current budget.

Fifth. Effect of back-door provisions.

Sixth. Summary and results of the net reductions made in the regular appropriation bills disclosed in the table below.

All these factors join to influence the final results and the original budget projection of a surplus of \$463,000,000 for the current fiscal year 1963. The fiscal year 1962 closed last June 30 showing a deficit of \$6,307,612,863. Every significant sign now points to another substantial deficit.



Public Law 87-880
87th Congress, H. R. 12900
October 24, 1962

An Act

76 STAT. 1216.

Making appropriations for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions for the fiscal year ending June 30, 1963, and for other purposes.

Public Works
Appropriation
Act, 1963.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the fiscal year ending June 30, 1963, for certain civil functions administered by the Department of Defense, certain agencies of the Department of the Interior, the Atomic Energy Commission, the Saint Lawrence Seaway Development Corporation, the Tennessee Valley Authority and certain river basin commissions, and for other purposes, namely:

TITLE I—DEPARTMENT OF DEFENSE—CIVIL

DEPARTMENT OF THE ARMY

CEMETERIAL EXPENSES

SALARIES AND EXPENSES

For necessary cemeterial expenses as authorized by law, including maintenance, operation, and improvement of national cemeteries, and purchase of headstones and markers for unmarked graves; purchase of one passenger motor vehicle for replacement only; maintenance of that portion of Congressional Cemetery to which the United States has title, Confederate burial places under the jurisdiction of the Department of the Army, and graves used by the Army in commercial cemeteries; \$10,276,000: *Provided*, That this appropriation shall not be used to repair more than a single approach road to any national cemetery: *Provided further*, That this appropriation shall not be obligated for construction of a superintendent's lodge or family quarters at a cost per unit in excess of \$17,000, but such limitation may be increased by such additional amounts as may be required to provide office space, public comfort rooms, or space for the storage of Government property within the same structure: *Provided further*, That reimbursement shall be made to the applicable military appropriation for the pay and allowances of any military personnel performing services primarily for the purposes of this appropriation.

CORPS OF ENGINEERS—CIVIL

The following appropriations shall be expended under the direction of the Secretary of the Army and the supervision of the Chief of Engineers for authorized civil functions of the Department of the Army pertaining to rivers and harbors, flood control, beach erosion, and related purposes:

GENERAL INVESTIGATIONS

For expenses necessary for the collection and study of basic information pertaining to river and harbor, flood control, shore protection, and related projects, and when authorized by law, surveys and studies (including cooperative beach erosion studies as authorized in Public Law 520, approved July 3, 1930, as amended and supplemented), of projects prior to authorization for construction, \$17,870,300, to remain

46 Stat. 945;
74 Stat. 484.
33 USC 426.

16 USC 661 note.

available until expended: *Provided*, That \$100,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

CONSTRUCTION, GENERAL

Restriction.

For the prosecution of river and harbor, flood control, shore protection, and related projects authorized by law; and detailed studies, and plans and specifications, of projects (including those for development with participation or under consideration for participation by States, local governments, or private groups) authorized or made eligible for selection by law (but such studies shall not constitute a commitment of the Government to construction); \$792,845,500, to remain available until expended: *Provided*, That no part of this appropriation shall be used for projects not authorized by law or which are authorized by law limiting the amount to be appropriated therefor, except as may be within the limits of the amount now or hereafter authorized to be appropriated: *Provided further*, That none of the funds appropriated for "Construction, General", in this Act shall be used on the project "Missouri River, Kansas City to mouth", for any purpose other than bank stabilization work: *Provided further*, That \$600,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Department of the Army.

OPERATION AND MAINTENANCE, GENERAL

For expenses necessary for the preservation, operation, maintenance, and care of existing river and harbor, flood control, and related works, including such sums as may be necessary for the maintenance of harbor channels provided by a State, municipality or other public agency, outside of harbor lines, and serving essential needs of general commerce and navigation; financing the United States share of the cost of operation and maintenance of remedial works in the Niagara River; activities of the California Debris Commission; administration of laws pertaining to preservation of navigable waters; surveys and charting of northern and northwestern lakes and connecting waters; clearing and straightening channels; removal of obstructions to navigation; and rescue work, and repair, or restoration of flood control projects threatened or destroyed by flood; \$143,539,000, to remain available until expended.

GENERAL EXPENSES

For expenses necessary for general administration and related functions in the Office of the Chief of Engineers and offices of the Division Engineers; activities of the Board of Engineers for Rivers and Harbors and the Beach Erosion Board; commercial statistics; and miscellaneous investigations; \$13,580,000.

FLOOD CONTROL, MISSISSIPPI RIVER AND TRIBUTARIES

For expenses necessary for prosecuting work of flood control, and rescue work, repair, restoration, or maintenance of flood control projects threatened or destroyed by flood, as authorized by law (33 U.S.C. 702a, 702g-1), \$73,504,000, to remain available until expended: *Provided*, That funds herein appropriated for planning on Cache River, Arkansas, shall be used to the extent necessary to study the effect of the project on agricultural lands along the lower Cache River and along the White River downstream from the confluence to determine whether additional protection should be provided for these lands in connection with the Cache River project and for preparation and submission of a report thereon to the Appropriation Committees.

45 Stat. 534;
49 Stat. 1511.

UNITED STATES SECTION, SAINT LAWRENCE RIVER JOINT BOARD OF ENGINEERS

For necessary expenses of the United States section of the Saint Lawrence River Joint Board of Engineers, established by Executive Order 10500, dated November 4, 1953, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates not to exceed \$100 per day for individuals; \$20,000: *Provided*, That no part of these funds shall be obligated until agreement has been entered into, by the United States Government and the United States entity authorized to construct the power works in the International Rapids section of the Saint Lawrence River, providing for the reimbursement of the expenditures of the United States section of this Board by the construction entity.

60 Stat. 810.

ADMINISTRATIVE PROVISIONS

Appropriations in this title shall be available for expenses of attendance by military personnel of meetings in the manner authorized by section 19(b) of the Act of July 7, 1958 (72 Stat. 336), uniforms, or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131), and for printing, either during a recess or session of Congress, of survey reports authorized by law, and such survey reports as may be printed during a recess of Congress shall be printed, with illustrations, as documents of the next succeeding session of Congress; and during the current fiscal year the revolving fund, Corps of Engineers, shall be available for purchase (not to exceed two hundred and sixteen, of which one hundred and ninety shall be for replacement only) and hire of passenger motor vehicles.

5 USC 2318.

68 Stat. 1114.

THE PANAMA CANAL

CANAL ZONE GOVERNMENT

OPERATING EXPENSES

For operating expenses necessary for the Canal Zone Government, including operation of the Postal Service of the Canal Zone; hire of passenger motor vehicles; uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131); expenses incident to conducting hearings on the Isthmus; expenses of special training of employees of the Canal Zone Government as authorized by law (2 C.Z. Code, Sec. 85 as added by 63 Stat. 602; 5 U.S.C. 2301 et seq.); contingencies of the Governor; residence for the Governor; medical aid and support of the insane and of lepers and aid and support of indigent persons legally within the Canal Zone, including expenses of their deportation when practicable;

72 Stat. 327.

remodeling Army buildings, in the Canal Zone, for temporary use as school classrooms; and payments of not to exceed \$50 in any one case to persons within the Government service who shall furnish blood for transfusions; \$22,772,000.

CAPITAL OUTLAY

For acquisition of land and land under water and acquisition, construction, and replacement of improvements, facilities, structures, and equipment, as authorized by law (2 C.Z. Code, Sec. 3; 2 C.Z. Code, Sec. 16, as added by 63 Stat. 600), including the purchase of not to exceed seven passenger motor vehicles for replacement only for police-type use without regard to the general purchase price limitation for the current fiscal year; and expenses incident to the retirement of such assets; \$3,120,000, to remain available until expended: *Provided*, That notwithstanding the limitation under this head in the Second Supplemental Appropriation Act, 1961, appropriations for "capital outlay" may be used for expenses related to the construction of quarters for non-U.S. citizen employees at a unit cost not exceeding \$16,500.

74 Stat. 827.

PANAMA CANAL COMPANY

CORPORATION

The Panama Canal Company is hereby authorized to make such expenditures within the limits of funds and borrowing authority available to it and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended (31 U.S.C. 849), as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such corporation, except as hereinafter provided:

61 Stat. 584.

LIMITATION ON GENERAL AND ADMINISTRATIVE EXPENSES, PANAMA CANAL COMPANY

Not to exceed \$8,113,000 of the funds available to the Panama Canal Company shall be available during the current fiscal year for general and administrative expenses of the Company, which shall be computed on an accrual basis. Funds available to the Panama Canal Company for operating expenses shall be available for the purchase of not to exceed sixteen passenger motor vehicles for replacement only and for uniforms or allowances therefor, as authorized by the Act of September 1, 1954, as amended (5 U.S.C. 2131).

68 Stat. 1114.

GENERAL PROVISION—THE PANAMA CANAL

The Governor of the Canal Zone is authorized to employ services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), in an amount not exceeding \$30,000: *Provided*, That the rates for individuals shall not exceed \$100 per diem.

60 Stat. 810.

TITLE II—DEPARTMENT OF THE INTERIOR

BUREAU OF RECLAMATION

For carrying out the functions of the Bureau of Reclamation as provided in the Federal reclamation laws (Act of June 17, 1902, 32 Stat. 388, and Acts amendatory thereof or supplementary thereto) and other Acts applicable to that Bureau, as follows:

43 USC 371 note.

GENERAL INVESTIGATIONS

For engineering and economic investigations of proposed Federal reclamation and other projects for which the Secretary may have power marketing responsibilities under section 5 of the Flood Control Act of 1944 and studies of water conservation and development plans and activities preliminary to the reconstruction, rehabilitation and betterment, financial adjustment, or extension of existing projects, including not to exceed \$350,000 for investigations of projects in Alaska, to remain available until expended, \$8,400,000, of which \$7,010,000 shall be derived from the reclamation fund and \$500,000 shall be derived from the Colorado River development fund: *Provided*, That none of this appropriation shall be used for more than one-half of the cost of an investigation requested by a State, municipality, or other interest: *Provided further*, That \$290,000 of this appropriation shall be transferred to the United States Fish and Wildlife Service for studies, investigations, and reports thereon as required by the Fish and Wildlife Coordination Act of 1958 (72 Stat. 563-565) to provide that wildlife conservation shall receive equal consideration and be coordinated with other features of water-resource development programs of the Bureau of Reclamation.

58 Stat. 890.
16 USC 825s.

16 USC 661 note.

CONSTRUCTION AND REHABILITATION

For construction and rehabilitation of authorized reclamation projects or parts thereof (including power transmission facilities) and for other related activities, as authorized by law, to remain available until expended, \$158,218,000, of which \$75,000,000 shall be derived from the reclamation fund: *Provided*, That no part of this appropriation shall be used to initiate the construction of transmission facilities within those areas covered by power wheeling service contracts which include provision for service to Federal establishments and preferred customers, except those transmission facilities for which construction funds have been heretofore appropriated, those facilities which are necessary to carry out the terms of such contracts or those facilities for which the Secretary of the Interior finds the wheeling agency is unable or unwilling to provide for the integration of Federal projects or for service to a Federal establishment or preferred customer.

OPERATION AND MAINTENANCE

For operation and maintenance of reclamation projects or parts thereof and of other facilities, as authorized by law; and for a soil and moisture conservation program on lands under the jurisdiction of the Bureau of Reclamation, pursuant to law, \$36,444,600, of which \$31,319,000 shall be derived from the reclamation fund and \$1,481,000 shall be derived from the Colorado River Dam fund: *Provided*, That funds advanced for operation and maintenance of reclamation projects or parts thereof shall be deposited to the credit of this appropriation and may be expended for the same objects and in the same manner as sums appropriated herein may be expended, and the unexpended balances of such advances shall be credited to the appropriation for the next succeeding fiscal year.

LOAN PROGRAM

For loans to irrigation districts and other public agencies for construction of distribution systems on authorized Federal reclamation projects, and for loans and grants to non-Federal agencies for construction of projects, as authorized by the Acts of July 4, 1955, as

- 69 Stat. 244. amended (43 U.S.C. 421a-421d), and August 6, 1956 (43 U.S.C. 422a-422k), as amended (71 Stat. 48), including expenses necessary for carrying out the program, \$12,517,000, to remain available until expended: *Provided*, That any contract under the Act of July 4, 1955 (69 Stat. 244), as amended, not yet executed by the Secretary, which calls for the making of loans beyond the fiscal year in which the contract is entered into shall be made only on the same conditions as those prescribed in section 12 of the Act of August 4, 1939 (53 Stat. 1187, 1197).
- 43 USC 388.

EMERGENCY FUND

- 62 Stat. 1052. For an additional amount for the "Emergency fund", as authorized by the Act of June 26, 1948 (43 U.S.C. 502), to remain available until expended for the purposes specified in said Act, \$1,000,000, to be derived from the reclamation fund.

UPPER COLORADO RIVER STORAGE PROJECT

- 70 Stat. 107. For the Upper Colorado River Storage Project, as authorized by the Act of April 11, 1956 (43 U.S.C. 620d), to remain available until expended, \$107,808,000, of which \$104,576,000 shall be available for the "Upper Colorado River Basin Fund" authorized by section 5 of said Act of April 11, 1956, and \$3,232,000 shall be available for construction of recreational and fish and wildlife facilities authorized by section 8 thereof, and may be expended by bureaus of the Department through or in cooperation with State or other Federal agencies, and advances to such Federal agencies are hereby authorized: *Provided*, That no part of the funds herein appropriated shall be available for construction or operation of facilities to prevent waters of Lake Powell from entering any National Monument.
- 70 Stat. 110.
43 USC 620g.

GENERAL ADMINISTRATIVE EXPENSES

- 59 Stat. 54. For necessary expenses of general administration and related functions in the offices of the Commissioner of Reclamation and in the regional offices of the Bureau of Reclamation, \$9,300,000, to be derived from the reclamation fund and to be nonreimbursable pursuant to the Act of April 19, 1945 (43 U.S.C. 377): *Provided*, That no part of any other appropriation in this Act shall be available for activities or functions budgeted for the current fiscal year as general administrative expenses.

SPECIAL FUNDS

- 32 Stat. 388.
45 Stat. 1057;
54 Stat. 774. Sums herein referred to as being derived from the reclamation fund, the Colorado River Dam fund, or the Colorado River development fund, are appropriated from the special funds in the Treasury created by the Act of June 17, 1902 (43 U.S.C. 391), the Act of December 21, 1928 (43 U.S.C. 617a), and the Act of July 19, 1940 (43 U.S.C. 618a), respectively. Such sums shall be transferred, upon request of the Secretary, to be merged with and expended under the heads herein specified; and the unexpended balances of sums transferred for expenditure under the heads "Operation and Maintenance" and "General Administrative Expenses" shall revert and be credited to the special fund from which derived.

ADMINISTRATIVE PROVISIONS

Appropriations to the Bureau of Reclamation shall be available for purchase of not to exceed seventy-two passenger motor vehicles for replacement only; purchase of two aircraft for replacement only;

payment of claims for damage to or loss of property, personal injury, or death arising out of activities of the Bureau of Reclamation; payment, except as otherwise provided for, of compensation and expense of persons on the rolls of the Bureau of Reclamation appointed as authorized by law to represent the United States in the negotiation and administration of interstate compacts without reimbursement or return under the reclamation laws; rewards for information or evidence concerning violations of law involving property under the jurisdiction of the Bureau of Reclamation; performance of the functions specified under the head "Operation and Maintenance Administration", Bureau of Reclamation, in the Interior Department Appropriation Act, 1945; preparation and dissemination of useful information including recordings, photographs, and photographic prints; and studies of recreational uses of reservoir areas, and investigation and recovery of archeological and paleontological remains in such areas in the same manner as provided for in the Act of August 21, 1935 (16 U.S.C. 461-467): *Provided*, That no part of any appropriation made herein shall be available pursuant to the Act of April 19, 1945 (43 U.S.C. 377), for expenses other than those incurred on behalf of specific reclamation projects except "General Administrative Expenses" and amounts provided for reconnaissance, basin surveys, and general engineering and research under the head "General Investigations".

58 Stat. 487.

49 Stat. 666.

59 Stat. 54.

Allotments to the Missouri River Basin project from the appropriation under the head "Construction and Rehabilitation" shall be available additionally for said project for those functions of the Bureau of Reclamation provided for under the head "General Investigations" (but this authorization shall not preclude use of the appropriation under said head within that area), and for the continuation of investigations by agencies of the Department on a general plan for the development of the Missouri River Basin. Such allotments may be expended through or in cooperation with State and other Federal agencies, and advances to such agencies are hereby authorized.

Sums appropriated herein which are expended in the performance of reimbursable functions of the Bureau of Reclamation shall be returnable to the extent and in the manner provided by law.

No part of any appropriation for the Bureau of Reclamation, contained in this Act or in any prior Act, which represents amounts earned under the terms of a contract but remaining unpaid, shall be obligated for any other purpose, regardless of when such amounts are to be paid: *Provided*, That the incurring of any obligation prohibited by this paragraph shall be deemed a violation of section 3679 of the Revised Statutes, as amended (31 U.S.C. 665).

Restrictions.

No funds appropriated to the Bureau of Reclamation for operation and maintenance, except those derived from advances by water users, shall be used for the particular benefit of lands (a) within the boundaries of an irrigation district, (b) of any member of a water users' organization, or (c) of any individual, when such district, organization, or individual is in arrears for more than twelve months in the payment of charges due under a contract entered into with the United States pursuant to laws administered by the Bureau of Reclamation.

Not to exceed \$225,000 may be expended from the appropriation "Construction and rehabilitation" for work by force account on any one project or Missouri Basin unit and then only when such work is unsuitable for contract or no acceptable bid has been received and, other than otherwise provided in this paragraph or as may be necessary to meet local emergencies, not to exceed 12 per centum of the construction allotment for any project from the appropriation "Con-

Limitation.

43 USC 504 and
note.

70 Stat. 737.

struction and rehabilitation" contained in this Act shall be available for construction work by force account: *Provided*, That this paragraph shall not apply to work performed under the Rehabilitation and Betterment Act of 1949 (63 Stat. 724).

After September 30, 1962, the position of Commissioner of Reclamation shall have the annual rate of compensation as provided for positions listed in section 2205 (a) of title 5, United States Code, so long as held by the present incumbent.

BONNEVILLE POWER ADMINISTRATION

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, as authorized by law, and purchase of one aircraft, \$29,800,000, to remain available until expended.

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of the Bonneville transmission system and of marketing electric power and energy \$12,713,000.

ADMINISTRATIVE PROVISIONS

Appropriations of the Bonneville Power Administration shall be available to carry out all the duties imposed upon the Administrator pursuant to law. Appropriations made herein to the Bonneville Power Administration shall be available in one fund, except that the appropriation herein made for operation and maintenance shall be available only for the service of the current fiscal year.

Other than as may be necessary to meet local emergencies, not to exceed 12 per centum of the appropriation for construction herein made for the Bonneville Power Administration shall be available for construction work by force account or on a hired-labor basis.

SOUTHEASTERN POWER ADMINISTRATION

OPERATION AND MAINTENANCE

58 Stat. 890.

For necessary expenses of operation and maintenance of power transmission facilities and of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southeastern power area \$800,000 including purchase of two passenger motor vehicles of which one is for replacement only.

SOUTHWESTERN POWER ADMINISTRATION

CONSTRUCTION

For construction and acquisition of transmission lines, substations, and appurtenant facilities, and for administrative expenses connected therewith, in carrying out the provisions of section 5 of the Flood Control Act of 1944 (16 U.S.C. 825s), as applied to the southwestern power area, \$7,210,000, to remain available until expended.

OPERATION AND MAINTENANCE

For necessary expenses of operation and maintenance of power transmission facilities of marketing electric power and energy pursuant to the provisions of section 5 of the Flood Control Act of 1944

(16 U.S.C. 825s), as applied to the southwestern power area, including purchase of not to exceed four passenger motor vehicles for replacement only, \$1,450,000.

58 Stat. 890.

CONTINUING FUND

Not to exceed \$5,000,000 shall be available during the current fiscal year from the continuing fund for all costs in connection with the purchase of electric power and energy, and rentals for the use of transmission facilities.

GENERAL PROVISIONS—DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

Emergency funds.

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

Fire prevention.

SEC. 203. Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 686): *Provided*, That reimbursements for costs of supplies, materials and equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

Operation of
warehouses,
etc.

47 Stat. 417.

SEC. 204. No part of any funds made available by this Act to the Southwestern Power Administration may be made available to any other agency, bureau, or office for any purposes other than for services rendered pursuant to law to the Southwestern Power Administration.

Restriction.

TITLE III—INDEPENDENT OFFICES

ATOMIC ENERGY COMMISSION

OPERATING EXPENSES

For necessary operating expenses of the Commission in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the employment of aliens; services authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); purchase of equipment; purchase, maintenance, and operation of aircraft; publication and dissemination of atomic information; purchase, repair, and cleaning of uniforms; official entertainment expenses (not to exceed \$30,000); reimbursement of the General Services Administration for security guard services; purchase (not to exceed seven hundred and forty, of which four hundred and ten are for replacement only) and hire of passenger motor vehicles; \$2,872,224,000, and any moneys (except sums received from disposal of property under the Atomic Energy Community Act of 1955 (42 U.S.C. 2301)) received by the Commission, notwithstanding the provisions of section 3617 of the Revised Statutes (31 U.S.C. 484),

68 Stat. 919.
42 USC 2011
note.
60 Stat. 810.

69 Stat. 471.

to remain available until expended: *Provided*, That of such amount \$100,000 may be expended for objects of a confidential nature and in any such case the certificate of the Commission as to the amount of the expenditure and that it is deemed inadvisable to specify the nature thereof shall be deemed a sufficient voucher for the sum therein expressed to have been expended: *Provided further*, That from this appropriation transfers of sums may be made to other agencies of the Government for the performance of the work for which this appropriation is made, and in such cases the sums so transferred may be merged with the appropriation to which transferred: *Provided further*, That no part of this appropriation shall be used in connection with the payment of a fixed fee to any contractor or firm of contractors engaged under a cost-plus-a-fixed-fee contract or contracts at any installation of the Commission, where that fee for community management is at a rate in excess of \$90,000 per annum, or for the operation of a transportation system where that fee is at a rate in excess of \$45,000 per annum.

PLANT ACQUISITION AND CONSTRUCTION

For expenses of the Commission, as authorized by law, in connection with the purchase and construction of plant and other expenses incidental thereto necessary in carrying out the purposes of the Atomic Energy Act of 1954, as amended, including the acquisition or condemnation of any real property or any facility or for plant or facility acquisition, construction, or expansion; and hire of passenger motor vehicles; \$262,745,000, to remain available until expended: *Provided*, That not to exceed \$4,500,000 of this appropriation for carrying out improvements on U.S. Highway 95, Nevada, as authorized in the Commission's 1963 authorization Act, may be transferred to the Bureau of Public Roads, Department of Commerce.

GENERAL PROVISIONS

Any appropriation available under this or any other Act to the Atomic Energy Commission may initially be used subject to limitations in this Act during the fiscal year 1963 to finance the procurement of materials, services, or other costs which are a part of work or activities for which funds have been provided in any other appropriation available to the Commission: *Provided*, That appropriate transfers or adjustments between such appropriations shall subsequently be made for such costs on the basis of actual application determined in accordance with generally accepted accounting principles.

Not to exceed 5 per centum of appropriations made available for the fiscal year 1963 for "Operating expenses" and "Plant acquisition and construction" may be transferred between such appropriations, but neither such appropriation, except as otherwise provided herein, shall be increased by more than 5 per centum by any such transfers, and any such transfers shall be reported promptly to the Appropriations Committees of the House and Senate.

No part of any appropriation herein shall be used to confer a fellowship on any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force or violence or with respect to whom the Commission finds, upon investigation and report by the Civil Service Commission on the character, associations, and loyalty of whom, that reasonable grounds exist for belief that such person is disloyal to the Government of the United States: *Provided*, That any person who advocates or who is a member of an organization or party that advocates the overthrow of the Government of the United States by force

68 Stat. 919.
42 USC 2011
note.

Transfer of
funds.

Reports to
congressional
committees.

Restriction on
fellowships.

or violence and accepts employment or a fellowship the salary, wages, stipend, grant, or expenses for which are paid from any appropriation contained herein shall be guilty of a felony and, upon conviction, shall be fined not more than \$1,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to such Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the budget for the current fiscal year for such Corporation, except as hereinafter provided:

61 Stat. 584.
31 USC 849.

LIMITATION ON ADMINISTRATIVE EXPENSES, SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

Not to exceed \$414,000 shall be available for administrative expenses which shall be computed on an accrual basis, including not to exceed \$2,000 for official entertainment expenses to be expended upon the approval or authority of the Administrator, purchase of one passenger motor vehicle for replacement only, uniforms or allowances therefor for operation and maintenance personnel, as authorized by law (5 U.S.C. 2131, and services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), at rates for individuals not to exceed \$100 per day: *Provided*, That not to exceed \$5,000 may be expended for services of individuals employed at rates in excess of \$50 per day.

68 Stat. 1114.
60 Stat. 810.

TENNESSEE VALLEY AUTHORITY

PAYMENT TO TENNESSEE VALLEY AUTHORITY FUND

For the purpose of carrying out the provisions of the Tennessee Valley Authority Act of 1933, as amended (16 U.S.C., ch. 12A), including hire, maintenance, and operation of aircraft, and purchase (not to exceed one hundred and fifty for replacement only) and hire of passenger motor vehicles, \$35,071,000, to remain available until expended.

48 Stat. 58.

DELAWARE RIVER BASIN COMMISSION

SALARIES AND EXPENSES

For expenses necessary to carry out the functions of the United States member of the Delaware River Basin Commission, as authorized by law (75 Stat. 716), \$32,000.

CONTRIBUTION TO THE DELAWARE RIVER BASIN COMMISSION

For payment of the United States share of the current expenses of the Delaware River Basin Commission, as authorized by law (75 Stat. 706, 707), \$80,000.

U.S. STUDY COMMISSION—SOUTHEAST RIVER BASINS

SALARIES AND EXPENSES

60 Stat. 810. For necessary expenses to carry out the provisions of the Act approved August 28, 1958 (72 Stat. 1090), including services as authorized by the Act of August 2, 1946 (5 U.S.C. 55a), \$552,000 to remain available until December 31, 1963.

U.S. STUDY COMMISSION—TEXAS

SALARIES AND EXPENSES

75 Stat. 731. The appropriation granted under this head in the Public Works Appropriation Act, 1962, shall remain available until August 31, 1963.

TITLE IV

FUNDS APPROPRIATED TO THE PRESIDENT

PUBLIC WORKS ACCELERATION

60 Stat. 810. For expenses necessary to enable the President to provide for carrying out the purposes of the Public Works Acceleration Act, including services as authorized by section 15 of the Act of August 2, 1946 (5 U.S.C. 55a), but at rates for individuals not to exceed \$75 per diem, \$400,000,000.

TITLE V—GENERAL PROVISIONS

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 501. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (5 U.S.C. 78), for the purchase of any passenger motor vehicle (exclusive of buses and ambulances), is hereby fixed at \$1,500 except station wagons for which the maximum shall be \$1,950.

SEC. 502. Unless otherwise specified and during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in continental United States unless such person (1) is a citizen of the United States, (2) is a person in the service of the United States on the date of enactment of this Act who, being eligible for citizenship, had filed a declaration of intention to become a citizen of the United States prior to such date, (3) is a person who owes allegiance to the United States, or (4) is an alien from Poland or the Baltic countries lawfully admitted to the United States for permanent residence: *Provided*, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his status have been complied with: *Provided further*, That any person making a false affidavit shall be guilty of a felony and, upon conviction,

Penalty.

tion, shall be fined not more than \$4,000 or imprisoned for not more than one year, or both: *Provided further*, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: *Provided further*, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of the Republic of the Philippines or to nationals of those countries allied with the United States in the current defense effort, or to temporary employment of translators, or to temporary employment in the field service (not to exceed sixty days) as a result of emergencies.

Exception.

SEC. 503. Appropriations of the executive departments and independent establishments for the current fiscal year, available for expenses of travel or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with title II of the Act of September 6, 1960 (74 Stat. 793).

SEC. 504. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

5 USC 3033-

3038.

Restrictions.

SEC. 505. No part of any appropriation contained in this or any other Act for the current fiscal year shall be used to pay in excess of \$4 per volume for the current and future volumes of the United States Code, Annotated, and such volumes shall be purchased on condition and with the understanding that latest published cumulative annual pocket parts issued prior to the date of purchase shall be furnished free of charge, or in excess of \$4.25 per volume for the current or future volumes of the Lifetime Federal Digest, or in excess of \$6.50 per volume for the current or future volumes of the Modern Federal Practice Digest.

SEC. 506. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to the Government Corporation Control Act, as amended (31 U.S.C. 841), shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with section 15 of the Act of August 2, 1946 (5 U.S.C. 55a); and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: *Provided*, That in the event any functions budgeted for administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

59 Stat. 597.

60 Stat. 810.

SEC. 507. Pursuant to section 1415 of the Act of July 15, 1952 (66 Stat. 662), foreign credits (including currencies) owed to or owned by the United States may be used by Federal agencies for any purpose for which appropriations are made for the current fiscal year (including the carrying out of Acts requiring or authorizing the use of such credits), only when reimbursement therefor is made to the

31 USC 724.

Treasury from applicable appropriations of the agency concerned: *Provided*, That such credits received as exchange allowances or proceeds of sales of personal property may be used in whole or part payment for acquisition of similar items, to the extent and in the manner authorized by law, without reimbursement to the Treasury.

Short title.

This Act may be cited as the "Public Works Appropriation Act, 1963".

Approved October 24, 1962.

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